PUBLISHED IN LONDON AND FRANKFURT

CONTINENTAL SELLING PRICES: AUSTRIA Son 15; BELGIUM FY 25; DENMARK KY 4.25; FRANCE FY 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS FI 2.0; NORWAY KY 4.25; PORTUGAL EXC 35; SPAIN Pts 10; SWEDEN KY 3.75; SWITZERLAND FY 2.0; EIRE 20p; MALTA 20p

Monday January 21 1980

(0462)4444 Hunting More Than Sites, Design,

Japan faces hive off concern scandal

ne former majer-general and two active junior officers of the ground self-defence force, in what may be the most controversial post-war espionage case involving the Soviet Union in Japan

The men may have sold the Soviets military secrets con-cerned with equipment and strategic policies. There are auggestions that the chief of the Defence Agency, Enji Kubota, may resign. Back Page

Sunni recognition

Ayatollah Khomeini, leader of Iran, has claared the way for a constitutional amendment which should alter the tense relationship between majority Moslems and minority Sunni Moslems. Page 2

Officer killed

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An Ulster prison officer was found shot dead in the wreckage of bis crashed car near Limavady, Co. Londonderry. The unnamed officer, aged 35, was the first to be murdered this year, and the 18th to dle in the IRA's campaign against the prison service.

Soldiers caught

Three soldiers who broke out of an army detention centre in Northern Ireland on Saturday were back in custody. One gave

British Jewellery design may as high interest rates and undergo fundamental changes demand for Government stock as manufacturers reduce the were matched by mounting fears amounts of precious metals in about the steel strike. The main their products because of the factor in European currency soaring price of gold and silver. trading was the rise in Sweden's

Basque bombing

Four people died and at least 10 were injured when a bomb exploded in a bar in Bilbao, the Basque provincial capital. No-one immediately claimed responsibility for the bombing. which brought the death toll from political violence in the region to 10 this year.

Summit call-

President Anwar Sadat of Egypt supported the suggestion of Israeli Prime Minister Menahem Begin that another tripartite summit with President Carter was needed to solve the problem of Palestinian autonomy. Page 2

EEC strike off

A last-minute change of position by West Germany has almost certainly averted a strike over pay demands threateoed by 1,600 staff at the Council of Ministers in Brussels.

Nkomo plan

Patriotic Front leader Joahua Nko: 10 urged the integration of his own forces with those of the hodesian security forces in order to avert another war after the February elections. Page 2

Briefly . . .

As attempt to televise House of Commons - proceedings seems likely to fail, after 53 per cent of MPs who took part in an opinion poll said they were against the idea. Page 3 Former Indian Premier Charan Singh was re-elected leader of the opposition Lok Dal (People's CATERPILLAR Tractor of

gating a fire at a boliday home equipment, had its final quarter in Wales, after aeveral attacks on aimilar properties in recent

CONTENTS -

Week in the courts:

Responsibility of a land- Survey: Turkey Inset **PROSPECTUS**

For latest Share Index phone 01-246 8026

ITT may

UK drugs

 ASHE CHEMICALS, the British subsidiary of ITT which manufacturers pharmaceuticals and was acquired by the U.S. conglomerate in 1972 for £8.9m. may now be sold. The price is likely to be over £10m and the sale fits into an FIT policy, aimed at divesting itself of nonelectronic concerns ln Europe. Back Page

• EUROPE'S 11 leading man-made fibre producers will today tell the Brussels Commission that their market abaring "price cartel" has been abandoned. Back Page

CONSUMER CONFIDENCE is at its lowest level since 1975, according to the latest FI survey, at minus 41 per cent against minus 40 per cent last month and minus 27 per cent a year ago. Thera ia no sign of a recovery. Page 3

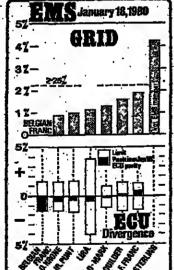
 ANDREW BRITTON has been appointed to run the monetary analysis and forecasting unit at the Treasury. Page 3

• STEEL STRIKE has not yet barmed fuel industries, but if it extends to private sector steel plants cutting power demand sharply, Electricity Council finances will suffer Page 3

• EASTERN AIRLINES of the U.S., which is haying 25 European A300 Airbus airliners worth about \$900m (£395m) is now considering another pur-chase to double its Airbus fleet.

about the steel strike. The main discount tate, which did not directly affect the European Monetary System. Italy's Foreign Trade Minister discounted lira devaluation while

that currency remained in the middle of the EMS. The Danish krone, devalued twice since last March, again fell and by Friday was the second weakest currency, abead only of the Belgian franc. The French franc has the strongest EMS béen currency since late December.



The charts show the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross-retes from which no currency (except the lire) may move more than 2½ per cent. The lower chart gives each aurrency's divergence from its "central rate" egainst the European Currency Unit (ECU), Itself a basket of European currencies.

the U.S., the world's largest Forensie exparts were investi- manufacturer of earth-moving out following a long strike.

State industries: The search owner 8

Pirelli's fortunes 7 Editorial comment: Yugo-slavia; steel strike 10

New moves likely soon for steel strike negotiations

BY CHRISTIAN TYLER, LABOUR EDITOR

Further efforts to bring the steel unions and the British Steel Corporation back into negotiation are expected in the next few days as the strike approaches its fourth week.

ingly serious deadlock.

Today the Prime Minister will involve herself for the first time in an industrial dispute when she meets Mr. Bill Sirs of the Iron and Steel Trades Confederation and Mr. Hector Smith of the National Union of Blastfurnacemen.

Later she will see Sir Charles Villiers, BSC chairman, and Mr. Bob Scholey, chief executive. Although Mrs. Thatcher can e expectad to put consider-

able pressure on the union leadars to look again for a negotiated settlement, abe will offer no instant solutions to their members' pay grievances. Sir Kelth Joseph, the Industry Secretary, categorically rejected yesterday the sug-gestion by Mr. Sirs that some of BSC's £450m sllocation from the Government for the next financial year for investment should be diverted into steelworkers' wage packets and re-

dundancy psy. He repeatedly stressed, in an interview on independent tele-vision, that "taxpayers' money" could not be used to fund the steelworkers' pay rise.

Officials of the Advisory Con-cilistion and Arbitration Ser-prior, Employment Secretary, ing around to see how they can vice will probably interview explained the Government's get out of this dilemma." hoth sides to break an increas- position when he met Mr. Sirs and Mr. Smith on Saturday.

Although hopes of a settlelifted slightly by the involvement of Ministers, there was no sign from the BSC last night that it was ready to shift toward the uniooa' conditions for resuming negotiations.

The resl stumbling block is

the comporation's refusal to make available any new money at all unless that money is saved by further job losses and more efficient working. The unions insist that a substantial part of the eventnal pay rise should he free of strings.

Mr. Sirs said yesterday at a rally of steelworkers in Wolverhampton that be dld not expect to get anything out of the meeting, with the Prime Minister. But she will learn the truth of the situation from me." Until there was more monay on the table there could be no settlement, he said. "I would die of shame rather than accept

the present offer." But he saw the Ministers' in-olvement as "a hit of volvement as "a hit of crumbling of the iron wall." The BSC had to respond to the

Despite the gulf that still remains to be hridged hefore any kind of productivity har-gaining can begin, Ministers closest to the dispute believe it not unbridgeable.

This belief has strengthened their determination not to risk the Government's credibility by positively intervening in any talks-a course of action that would in any case be unpopular with BSC itself.

Goodman writes: Eliner There were signs yesterday that other Ministers were increasingly anxious that a solution be found before damage to other nationalised industries to their losses and threatened their cash limits, and before private industry was

The threat to other sectors of the economy will intensify if as decided by the ISTC, in a week's time.

A number of Sir Keith'a col leagues say that be has not helped the situation by his dogmatic approach. Continued on Back Page

Editorial comment, Page 10

CBI plan for working hours Jewellery change and sterling inoved erratically British fewellery design may as high interest and sterling inoved erratically

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A SUGGESTION that working bolidays and when the TUC is agreements bringing manual of a possible plan to meet Britain's industrial and social

requirements of the next decade. This could open the door to cutting working bours while avoiding cost-raising changes in work practices. It is one of six proposals on employment and productivity tabled by the CBI for discussion with the Government and the TUC in an attempt to

next decade and to make industry more profitable.

The CBI says measures either to reduce the supply of labour or the amount of time actually worked should be studied against the need to improve productivity and profit-

generate 2.5m new jobs over the

It is putting forward these shorter working week and longer

hours rulght be calculated on an urging that the introduction of and office workers into a single

agenda for joint talks between the CBI and TUC, which were agreed in principle at the National Economic Development Council two weeks ago. and which should take place within the next few months.

Explaining its annual time budget idea, the CBI says: "It could be that in certain circumstances increased holiday entitlement or an extra shift can be more easily absorbed in cost and production terms than a reduction in the length of the shift or the working day.

It may be sensible to con-

The idea of introducing

sider bours as part of an annoal time budget rather than in relation to the normal working week. This would be one way achieving maximum flexiproposals as trade unions lodge bility throughout the year, claims with employers for a including boliday provision."

perbaps after damaging disputes - which will make British industry less competitive." Also included in the CBI's list of six proposals on employment and productivity is the need for a broad agreement with the Government and unions on the scale of potential unemploy-

ment, and in particular the employment implications of new technologies. The CBI also wants agreement on increasing productivity, improving the work of the labour market, retirement age

(which it says could be fixed flexibly between 62 and 70), and education and training. Launching the report at the

weekend, Mr. Richard Dixon, Continued on Back Page

Ministers back 'enterprise zones'

to have agreed in principle to the idea of aetting up about six "enterprise zones" in which regulations and public charges would he kept to a minimum as a means of attracting business hack into run-down areas.

The package of incentives which looks like emerging over the next few months will almost certainly include rates relief for companies starting up husiness in these areas. This will involve a small increase in public spending at

a time when the Government is

backing in Cahinet to ensure Its survival in some form when it comes up for a final decision.

Precise details of the scheme. which was originally proposed in Opposition by Sir Geoffray Howe, the Chancellor of tha Exchequer, atill have o agreed. So, too, has the list of areas involved. Ministers have studied a long list of possible areas including some of those worst bit by steel Tha argument now aeems to

MINISTERS ARE understood looking for hig economies. But he whether the zones should be the idea of enterprise zones set up in those areas where seems to have enough powerful the need to create new joba is tha need to create new joba is greatest or in areas where they chance of demonstrating the practical advantages of cutting down on red tapa and offering they say they want to start new enterprises.

The basic idea, however remains that the zones should be used to-encourage husiness men back into areas which have become steadily more run-down

ence. This enables them to hire

in recent years, and account for

nearly one-third of total world

In drafting their resolution

the developing countries made

Flags of convenience shipping fleets have been growing rapidly

Rift over flags of convenience

countries and the developed countries over controversial plans by the Nations Conference on Trade and Development to phase ont flags of convenience

Last week, the Group of 77 representing the developing countries presented a draft resocountries presented a draft reso-lution to an UNCTAD working of UNCTAD in Manila. party calling for the phasing out of the ags.fl

It had been hoped that this would give a basis for discuswith other UNCTAD members. However the majority of developed countries have come up with what are effectively counter-proposals. although they refer to them as their conclusions and recommendations.

The developing countries want vessels under flags of conveniflags of convenience to be ence. This enables them to hire phased out and the developed cheap crews and pay little tax. countries do not.
The UNCTAD meeting in Genava is discussing the desir-

ability of phasing out the flags nearly or and the possibla effects on world shipping. shipping. The working group first met in 1978 and was recon-Since under-developed coun-

Since under developed counshould be phased out over "a tries provide 90 per cent of the reasonable period of time" tanker cargoes and over one- originally ten years has been third of the dry bulk cargoes, it is argued that they should be given the right to a bigger share of the world fleet. The UNCTAD secretariat has

In addition the Group of 77 suggested that any decision on the legal mechanism for phasing out open registries (tha techni argued that one of the main cal term for flags of conveniways the West maintains its ence) should be left to the dominance over bulk shipping la Committee of Shipping which by registering many of their meets in the autumn.

Tito rests after left leg is amputated

BY ANTHONY ROBINSON

PRESIDENT TITO Yngoalavia waa recuperating last night after the amputation of bis lower left leg. Officials reported after tha operation that his general state of health remains sound.

Tha eight-man medical team attending to the 87-year-old President is belleved to have deayed the operation at President Tito'a request. But the onset of gangrene after last weekend's unsuccessful blood clot removal operation forced them to act.

Top party and Government officials bave been in attendance at the Ljubliana clinic in Northern Yugoalavia where the operation was performed. Elsewhere, the Press and radio have insisted on the need for national unity and vigilance.

The armed forces remain on state of low alert and antiaircraft guns have been installed near Belgrade airport,

The Presidant continues to receive a stream of get-well messages and the Albanian Communist newspaper Zeri Popullit yesterday promised the private steelworks are abut, that Albania would fight alongside Yugoslavia if ever Yugo slavia were attacked.

> Albanla's message of support ndicates the degree to which Yugoslav - Albanian relations bave improved in recent years after decades of fierce Albanian attacks against Yugoslav revi-

> In general, howaver, Yugo-slav authorities bave been less than pleased with messages implying that Yugoslavia is in imminent danger of attack and oceds defending. Yugoslavia is appealing for the outside world to take the situation calmly and not to jump to any basty conclusions.

There have been no signs so far of any military activity by the Warsaw Pact countries in the Balkan area.

"annual time budget" instead new technology ahould be accomstatus is also backed by the former partisan comrade who of on a weekly basis is put panied by cuts in working CBI, which says that a joint approach is needed to the whole since 1954 after calling for more approach is needed to the whole since 1954 after calling for more danger is that, sooner or later, the Communist "new class." bargaining pressures will force praised Tito's political clever-through reductions in bours—ness in a Presa Interview. ness in a Presa Interview.

Mr. Djilas said be saw no one in the present leadership of Tito's level. Although the Soviet Union was not likely to Interfere militarily while Yugoslavia remained militarily stable, "Soviet policy, which is aimed at putting Yugoslavla in a suhordinate position, will definitely continue."

Editorial comment, Page 10

Carter calls for Olympics boycott

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

in a month's time.

In a television interview, he said he had made his views could bring to he known in a letter to the U.S. their taking part. Olympic Committee, senior members of which met Mr. Cyrus Vance, the Secretary of State an other Administration officials in Washington last

Friday. Mr. Carter said be thought the American people would not support U.S. athletes going to Moscow in the light of Soviet aggression in Afghaniatan. Specifically, he added that if there were no Soviet with-drawal, the Olympics should be moved to an alternate site, or

multiple sites, or postponed or. even cancelled. There appears to be broad political support for an Olympic hoycott. Senator Edward Kennight's ln Iowa, aaid in another television interview vesterday that be was in favour

he thought that boycotts, and not from Washington, whether of the Olympics or of The President also denied grain sales, were merely that he had bean blding in the The U.S. Olympic Committee.

opinion, noting that the Olympic policy positions were Games are supposed to foster known.

PRESIDENT JIMMY CARTER individual not national comsaid yesterday he would oppose petition. But, by the same the U.S. taking part in the token, it might be hard for Moscow Olympic Games if Soviet both the committee and the troops were still in Afghanistan athlates to resist the sort of petition. But, by the sama token, it might be hard for public pressure the Administration and politicians in general could bring to hear against

In bia interview, the President shed little general light on the new foreign policy doctrine ba is likely to unveil in his State

of the Union messaga on Wednesday evening. Seeking to deflect political criticism that, as President, he has been naive about Soviet intentions, Mr. Carter said he about long-term Russian inten-tions but that it was imperative for tha two super powers to co-operate as well as to compete.

Mr. Carter was unable to predict an early release of the American diplomatic hostages in Tehran. He was insistent that thte U.S. would proceed with its nedy, for example, the own economic sanctions against Preaident's chief rival in to Iran but, in a softer vein, be Democratic Party said be believed that responsible officials in Tehran were now coming round to the view that the greatest threat to Iranian but he added, sharply, that security emanated from Moscow

grain sales. were merely that he had bean blding in the symbolic and no substitute for White House at the start of tha what he charged was Mr. presidential election years, Carter's failure to implement an arguing that, in the intereffective foreign policy. it would he improper for bim clearly aware of the fact that to appear in public "in the most athletes would prefer to role of a partisan campaigner" compete in Moscow, has said it and that in any case his surro-will poll athletes for their gates bad ensured that bis

Kennedy behind in Iowa

ning s knock-out triumph over Mr. Milovan Djilas, Tito's Mr. Carter in Iowa and subsequent early primaries, promised to stay in the race to promised to stay in the race to lowa, but his margin may be the end at least until be had down to below comfortable proeconomic policies.

The roles of Mr. Carter and Mr. Kennedy have in fact been reversed in recent weeks. Riding on the back of a spirit of from Tennessee believed to national unity evoked by events recovering rapidly from a p in Iran and Afghanistan, it is early start to his campaign. Mr. Carter who is trying to inflict a political hody blow in John Connally, the former Treathe early primaries and not, as sury Secretary, will do no hetter he was last autumn, merely than fourth, with Senator Robert promising to fight to the bitter Dole, and Congressmen John

On the Republican side, the bringing up the rear.

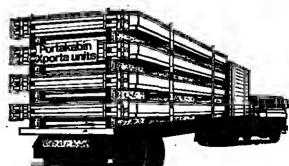
MR. CARTER is reckoned to be lowa caucuses will be the first a solid favourite to beat Senator true test of the strength of Kennedy in the Iowa Demo- Mr. Ronald Reagan. Having cratic caucuses. In his television deliberately kept bimself above interview, Mr. Rennedy, who the fray so far, the former only a few months ago was plan-Governor of California seems to be running some risk from this

He is still expected to win in appears to be coming from the Indefatigable and well organised Mr. George Bush, the former UN Ambassador and CIA director, with Senator Howard Baker from Tennessee believed to be recovering rapidly from a poor

than fourth, with Senator Robert Anderson and Philip Crane

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AYATOLLAH KHOMEINI, the

Iranian leader, has cleared the

way for a constitutional amendment which should drastically

alter the tense relationship be-

tween Iran's majority Shia Moslems and minority Sunni

In a statement read on Iran

Radio, he said he saw no obstacle to a referendum on a

constitutional amendment allow-

ing Sunni Islam to he the

official religion in areas where

memhers of the sect were in the

majority. At present the con-

stitution gives Shiite Islam as the official religion.

were in the form of a reply to

a letter by Dr. Ibrahim Yazdi,

his special emissary on provin-cial problems, after a visit to

Baluchistan in December where

at least 14 people died and 70

were injured in communal

fighting. Since then Dr. Yazdi

bas also had to mediete in the

Guif town of Bandar Langeh

BY DAVID SATTER IN MOSCOW

confidence yesterday that the

1980 Olympic Games will go ahead despite the "tactics" oi

the U.S. Administration which

it described as "arm twisting, gross pressure and dema-goguery." But the commitment to pursue detenta was

This was the case despite

international opposition to Russian involvement in Afghani-

sian, the Communist Party

newspaper Pravda said yester-

Soviet Union would now work

to save relations with Western

The Pravda commentary said

that despite the anti-Soviet cam-

paign being weged by the U.S.

the Soviet Union would be seek-

ing to strengthen everything

positive in detente in the next

few years, "particularly on the

The national sports newspaper, Sovietsky Sport, in its

first direct comment on the

issue since the possibility of a

major Olympic boycott emerged, said the efforts by "cold war

BY ROGER MATTHEWS IN CAIRO

resolve the crisis over Pales-

As Cairo newspepers leunched

tions of Israeli policy. President

Anwar Sadat supported the sug-

gestion of Mr. Manebem Begin,

another tripartite summit would

Speaking to a parliamentary

delegation from Zaire, Mr. Sedat

said be would be going to a summit with the principal in-

tention of ending Israel's mili-

tary occupation of Arab terri-

Mr. Sadet said Mr. Begin im-

tinian autonomy.

he needed.

European continent."

The paper indicated the

reaffirmed.

Ешгоре.

The Ayatoliah'a comments

Khomeini clears way for

unlike the rest of the Middle East which is predominantly Sunni. Shifte Islam has a relgious establishment the top orbidate.

echelons of which can advise,

as Ayatoliah Khomeini does, on everyday matters. Sunni Moslems observe no such

and Turkomans—all predomin-ant Sunni — have resisted. Often with with armed force. The authority of central

Significantly the announce-

ment was made just five days

before Presidential elections.

The polls are one step in e series of measures to establish

Russia aims for Europe detente

THE SOVIET UNION expressed instigators" in the U.S. and "attempts by imperialists to confidence yesterday that the Britain "to use sports as an plant mines on the Olympic

instrument of their politics"

public opinion.
The Soviet Union bas staked

a great deal of prestige on the

success of the Games, which

they see as a symbol of inter-

for the country's achievements.

netional recognition and respect

Sport

BY TONY WALKER IN PEKING

THE U.S. may supply China with surplus grain, possibly at preferential rates, left over

because of the cancelletion of

sales to the Soviet Union, ac-

cording to an American Con-

Mr. John Myers, the Indiana Republican, said in Peking

that if Congress approved the

agreement drawn np by the

Carter Administration which

gives China most favoured

Sadat backs Palestinian summit

EGYPT and Israel seem agreed the Moslem right bave all at- Israel constitutes the greatest tacked Israel. The daily "Al- threet to American interests in

"Israel claims it is the ally

and advance base for the U.S.

both strongly anti-Moslem.

President Carter can Akhbar" devoted a long erticle the Areb and Islamic world end

and Israel, saying they were the Soviet Union."
both expansionist, both bad This public pre-

to comparing the Soviet Union thus renders great services to

said.

"secure" in Egypt.

gressman.

into a series of bitter denuncia- severe domestic crises and were

Israel's Prime Minister, that in the Middle East, while in fect

a permanent government but said.

where as many as 50 people died in clashes.

Iran's population of 34m is estimated to be 93 per cent Shia and 7 per cent Sunni, ment could go a long way to lessen this.

Along with demands for provincial autonomy, the Sunnishia differences have been a philon is backing Mr. Hassan opinion is back

Shia differences have major problem in post revolutionary Iran. Balnchis, Kurds ruling Revolutionary Council. The favourite remains Mr. Abol

were being rejected by world itself" and danounced specule-

China could get wheat

Afghan.

lessen this.
The main Khomeini political

party, the Islamic Republican

another candidate after its pre-

vious candidate, Jaloloddin Farsi, withdrew when it was revealed his fether was an

The Qom theological school

Mr. Baniasadr rejected et the

weekend any offer of an alliance with the U.S. to counter a poten-

tial Soviet threat. "My definition of independence is to he independent of both super-

powers at the same time," he

field are being exposed by life

tion in the West that the Soviet Union might boycott the Winter Olympics in Lake Placid

as a "slanderous fabrication."

It said Soviet athletes were looking forward to the Winter Olympics and actively preper-

nation status, the Chinese

would be eligible for grain

shipments under a provision

which allows grain to be used

of the grain embargo, the U.S.

would have 15 to 17m tonnes

of grain left over, of which

5 to 7m tonnes would be

ported about 10m tonnes of

This public upsurge of bos-

tility toward Israel owes much

to the turmoil in Afgbanistan

and Iran. Egypt bas found itself

Impotent to act in a Pan-Arab or

Pan-Islamic context due to the

peace treaty with Israel and its

failure to show other countries

in the region that it is achieving

anything on behalf of the Pales-

• Egypt bas not frozen Arab

funds held in Cairo but is

merely seeking to defer repay-

ment of them, according to Prime Minister Mustapha Khalil.

There was no truth in announce-

ments by the Finance Ministers of Saudi Arabia and Kuwait

that Egypt bad frozen both Arab

On the contrary, Arab

and investments were

funds and property assets, he

China last year im-

Mr. Myers said that because

as a form of foreign aid.

ing for them.

has failed to nominate

recognition of Sunnis

Hierarchy.

plicitly admitted after their recent talks in Aswan that little progress had been made on Peiestinian autonomy for the West Bank and the Gaza Strip. Egyptian publications from the extreme left, through the mainly government-controlled media to

be issued this week. Thi: is much higher than eny

FFrs 31bn, but likely to reach

This requirement, plus indicaby raising just FFr 8on from the last loan of 1979 this initial offer of the year. was not well received by the But the terms of the loan, first anounced in lete December, have attracted such interest the Treasury has increased its target.

sury has increased its target.

to have to raise more money offered on a Government bond

Nkomo urges ioint force

MR. JOSHUA NKOMO, leader of the Patriotic Front, yesterday urged the integration of his own forces with those of the Rhodesian security forces, in order to evert another war once the February elections were over.

He told a crowd estimated et well over 150,000 in his home town here, that the metter should be considered by the Ceasefire Commission and a decision reached "within two or three weeks." During an otherwise peaceful meeting, four plain-clothed policemen were attacked by the crowd and at one point the senior white policeman in charge threatened to halt the rally if what he called "incidents of mob violence" did not stop.

The four black policemen were all recognised by the crowd while they were on "close security," mingling with the people attending the rally. One of them was armed with a pistol.

This is the first violent incident of the election campaign, which officially opens this morning when the 10 parties contesting the February 27-29 poll are expected to name their candi-

t yesterday's rally Mr. Nkomo mede conciliation hetween Rhodesians of all races the keynote of his speech. Demanding that his supporters co-operate with the police, Mr. Nkomo went on to declare that Rhodesia belonged to both black and white. This country belongs to us both. There will no longer be a master-boy relationship." He added: "I forbid you to do to the whites what they bave been doing to us."

Mr. Nkomo urged any of his own Zipra guerrillas still out in the bush to hand themseives over to the police or the monitoring force im-mediately, so that they could be taken to the assembly places.

e appealed to Lord Soames, the British Governor, not to call on the Rhodesian armed forces to discipline or disarm his men and he again attacked the deployment of the auxiliaries now part of the Rhodesian forces but recruited as private arm for Bishop Muzorewa, and largely unmonitored by the Commonwealth force.

Political rallies were held in many parts of Handesia yesterday, though none matched Mr. Nkomo s in size. In par-ticular, the Rev. Sithore, leader of the "internal" Zami only got some 15,000 supporters at the Zimbabwe grounds in Highfield where last Sunday Mr. Nkomo drew some 120,000 to 150,000. Bets are out already on bow big a crowd will arrive to see Mr. Robert Mugabe, leader of Zanu (PF) who, his officials say, has now permission to return to Salishury next

Meenwhile the first of an estimated 250,000 refugees will begin to return to Rhodeala today as part of an internationally co-ordinated repatriation scheme. The refugee operation is under.

the overall control of the UN High Commission for Refugees which has launched e \$22m appeal. The exercise is fraught with potential political problems as the nationalist parties want as many adult voters as possible to return before the elections and the Rhodesian authorines ara insisting nn e screening process to make sure that guerrillas do not return in the guise of refugees. There are about 25,000 refugees

in Botswana, 60,000 to 70,000 in Zamhia, and 150,000 in Mozambique. Not all will arrive before the election. It is thought that four reception centres which will open initially may be able to cope with between 10,000 and 20,000 a week.

Leyland launches Landtrain truck

BY KENNETH GOODING

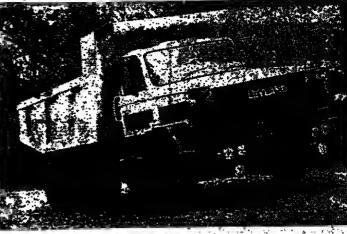
LEYLAND VEHICLES expects to earn around £52m a year from a new range of rugged. bonneted trucks designed for Middle East, African and Far

East markets.
Until now the range has been code-named T43, but in future the models will be called Landtrain. Leyland claims it is the only range from any European manufacturer to be designed specifically for the markets at which it is aimed.

Built-up units will be ex-ported to countries such as Egypt, Jordan, Kuwait and Sandi Arahia with Nigeria, Sudan and Kenya using their own local facilities to assemble vehicles from kits.

The highest sales potential is expected to be in Nigeriawhere Leyland opened a new truck plant last year Sandi Arabia Sudan and the Arab Gulf States. The Landtrain is being huilt

at the Guy plant at Wolver-bampton. In the first year it is expected that around 1,000 will be assembled with production doubling during the second year. The facilities could support an output of 4,000 a year.
Plant and equipment costing
more than £5m has been
installed at Wolverhampton to handle production of Landtrain



The Landtrain, Leyland's Third World hope

was on a new paint plant and a derivatives for rigid vehicle new welding line for cab assembly which cost about £500,000 each.

Leyland maintains that Land-train offers "European stan-dards of driver comfort and driver ease coupled with the

The range covers gross weights from 19 tonnes to 65

(haulage and tipper) drawbar and articulated vehicle applica-

Leyland says Landfrain has been designed for unrestricted operation in extreme conditions. for example, between minus 12 essential features of high degrees centigrade and plus 46 reliability and durability and degrees centigrade as well as in ease of servicing and main-high burnidity. The trucks are tenance." tarmac and concrete roads as handle production of Landtrain weights from 19 tonnes to 65 well as on grassland, forest, models.

The most significant spending include both two- and three arise tracks.

Nissan Motors has announced that its auto production in 1979 reached a record 2.54m units up 1.1 per cent from the privious year's 1.24m units. The figures do not include knocked figures do not include Knockeddown (KD) production. The production of KD sets totalled 174,286 units in 1979, also a record. The KD production was up 18.7 per cent from 146,879 units the previous year.

Exports of completed vehicle totalled a record of Lim units up 6 per cent from 1.07m usits the year before. The previous record for Nissan's exports was 1.09m units set in 1977.

Domestic sales reached 1.2m units, up 8.3 per cent from 1,140,590 units the year before. In overseas markets, car shipments were below the rear before level in the first half. reflecting the yea's appreciation against the dollar, but they increased since June, supported by an increase of small car sales. in the U.S. and Europe.

The production of completed passenger cars in the year totalled 1.7m units; up 7.3 per cent from the year before. Production of medium-sized trucks totalled 18,126 units. down 34.7 per cent, small-sized trucks, 569,315 units, down 2.9 per cent and small buses, up 0.4 per cent to 11,484 units

China joint ventures imminent

BY TOM WALKER IN PEKING

MR RONG YIREN, the general he knew these will be the first one standard, but there may be manager of the China International Trust and Investment
Corporation (CITIC), said at
the weekend he expects the first venture agreements joint venture agreements shown the most interest in leger to be an others, but partners to be announced by by the West Germans and the we also don't want to levy a pariners to be announced by

Mr. Rong said China's Foreign Investment Commission has given preliminary approval to several ventures, and be expects details of the egreements to be made public within e few months once contracts have been finalised.

He said the first joint venture agreements would be in transportation and light industry.

Io an interview he said that
CITIC bad accepted a 10 per cent share in one of the joint ventures. The remaining 90 per cent would be divided equally between foreign and Chinese

per cent Chinese. tion of technology to assist Mr. Bong, a former Shanghai China's modernisation drive. industrialist, said that as far as The tax rate likely will be

shown the most interest in nego-90 approaches from American not come," he said. corporations, he said.

Asked whether China's failure

foreign investment, Mr. Rong said he expected a tax rate to be come in.

the delay in fixing the tax rate ment and training for techni-will frighten away foreign clans, businesses. China's Foreign in-vesument Law does not preclude its first order from China—for In e single enterprise in China.

"Of course, we don't want to

Japanese. There have been about higher tax so foreigners will • The Chinese Ocean Shipping

Company has signed an agree to fix a tax rate was hindering ment with Magnavox of the U.S. to act as its agent in China. Under the agreement, Magnavox announced in the first part of depots will be established in this year, and after that even Shanghai, Canton and Tianjin. more overseas companies would The company will provide the Chinese concern with computer-However, he does not believe ised satellite navigating equip-

100 per cent foreign investment an ultra-violet curing system to be fitted to a new installation partners.

Another joint venture agree.

Another joint venture agree.

October to promote joint venture quest, three colour metal dement will provide for 60 per tures and, if necessary, to get corating press. The London-tent foreign ownership and 40 involved itself in the importation of technology to assist was worth almost £60,000. The shipment is scheduled for July,

KWU wins £77m order in Thailand

KRAFTWERK UNION (KWU) of West Germany, has won a DM 300m (£77m) contract from Thailand to build a 750 MW gas

turbine power plant.

The plant will be the second of its kind to be built by KWU for the Electricity Generaling Authority of Thailand in Bank Pakong. The contract for the first, also of 750 MW, was

Signed a year ago.

Our World Trade Staff write:
T. P. O'Sullivan, the London-based consulting engineers, bave reached agreement on a joint venture contract to undertake a feasibility study and design of rwo, 250-metre long bridges to be constructed out-side Bangkok. O'Sullivan's pariner's in the venture are Parific Consultants International and Chyoda, both of Japan - The contract, worth £500,000 is to be signed before the end of the mosth.

Jordan awards potash contract

By Rami G. Khouri in Amman? THE AUSTRIAN company, Voest Alpine, has won a notly contested \$107m (£47.1m) contract to build the potash-processing refinery for Jordan's

Arab Potash Company.

APC chairman, Mr. Ali
Khasawneh, said here at the weekend, Voest Alpine will complete the project in 24 months. The plant will process 1.2m tons per year of crystalline carnallite, nbtained by evaporating Dead Sea brine, into potash fertiliser.

Voest Alpine won out against bids from Spie Batignolles of France, J. A. Jones of the U.S. George Wimpey of the UK and Mannesmann of West Germany.

Ashland deal in Portugal

By Jimmy Burns in Lisbon PETROGAL, the Portuguese state petroleum company, said Ashland Chemical Company of the U.S. have signed a joint venture agreement for the outstruction of a \$16.5m carbon black plant in Portugal.

The plant, which will be supformed in the venture called Carbogal, will be located next to Petrogal's refining and petrochemical complex in Sines; The joint venture involves the use of Ashland's proprietary technology for manufacturing carbon blacks. Primary products will be tread and carcass grade

carbon blacks for the tyre in-dustry and a variety of grades for the mechanical rubber grades

Ewbank in Venezuela The Ewbank Constiting Group is expanding its open

tions in Venezuela with the appointment of Mr. Roger Hor ierton as technical consultant in its associated company in Cara

Last month Ewbank was ewarded the engineering con-tract for power generation facilities associated with Brunel-Shell Petroleum's development of the Champion oil field in the South China Sea.

Botswana telecoms Cable and Wireless, has signed

en agreement expected to be worth at least £12m in the first three-year phase, for long-term telecommunications developtelecommunications development in Botswana. The com pany will assist the Government in improving and expanding both internal and external telecommunications services.

FINANCIAL THATS problems did succept Sundays and bolidays. 40.9 subscription case \$385.00 per acquire

French to raise \$3bn State loan

President Sadat

BY TERRY DODSWORTH IN PARIS

tactics in their funding of the sate delicit by deciding to raise FFr 12.5hn (\$3bn) in the first state loan of the year which will

State loan introduced in recent years and falls not far short of of the total of FFr i5hn raised in three seperate steps last year.

During the period of rapidly increasing State deficits of the past two years, the Treasury has on the market than last year in France.

who died on Saturday at the age of BI, was not merely the longest serving Justice in the history of the U.S. Supreme

Court: he was by any standards

one of its most controversial

members and, even in the

opinion of his many enemies,

perhaps one of its most intel-lectually distinguished liberal

Mr. Douglas was appointed to

the Supreme Court by President Roosevelt in 1939 and served until 1975, when ill-bealth finally forced his resig-

appointee, the late Justice Hugn

Bleck, he formed the great

liberal underpinning of the Supreme Court, which came to

full fruition under the chief

justiceship of Mr. Earl Werren. during whose tenure many social and civil rights reforms

were codified in law.

another Roosevelt

OBITUARY

contributors.

netion.

With

A problem the Government a novel six-year term. faces in 1980 is that it is likely

This rate is the his

be drawn from the U.S. Consti-

intent on breaking down the barriers to individual freedom

secured by dismantling the legal

and social obstructions that

militated against equality of

opportunity, education, justice

and thought

This rate is the highest ever

William O. Douglas: rugged individualist JUSTICE William O. Douglas, talist in one very particular have him removed from the Yet, oddly enough, in his sense: to him, freedom of the Supreme Court et one stage in last years on the court, be individual against the encroach part because he insisted on seemed to have established a ment of government was more venting his views in unorthodox. than fust a desirable principle, places-lt was the principal lessoo to "girlie

tuition.

Today, this is a classic product of an acute legal mind Justice Douglas had been philosophy which conservatives et work: Justice Douglas was profoundly contemptuous of claim as their own. But in the also a man who could write the Chief Justice's intellectual social and political climate in wonderfully—a talent that he abilities. But, as ill bealth which he spent his great put to full use in a series of undermined Mr. Douglas's judicial years, he was more books devoted to conservation capacities to play a full role in intent on breaking down the of nature. He became, in effect, the court's affairs—and as he the spiritual garu of the stubbornly refused to resign.

American environmentalist Mr. Burger displayed great than then existed and establish. American ing that, above all, freedom of movement—and drew great personal kindness, indeed pro-the individual could only be personal strength from the tection, towards his ailing foe. isolated mountain top

many years, his home. influential segments His advocacy and his own American society, the more departure of Justice Douglas. rugged individualism made traditional parts of which were He used to refer to the Supreme many enemies. He was the equally horrified by his private Court as "the keeper of the object of more than one attempt life-including four marriages, at impeachment: former Presi- the last of which, in 1986, to 20th century has thrown up few, Justice Douglas, a man of dant Ford, when minnrity the former Cathleen Heffernan, eclectic tastes, was a fundamen- leader of the House, tried to then a third his age.

-including, on occasion, unique relationship with the girlie " magazines. current Chief Justice, Mr. The indicial distinction of Warren Burger. The two were By common consensus, the Washington state that was, for Burger court has not been many years, his home. This, too, was anathema to distinction and many trace its of most recent decline to the netion's conscience"-and the more assiduous if any, guardians.

BY CHARLES BATCHELOR IN AMSTERDAM THE MAN-MADE fibre industry the agreement expires in Decem- led to a marked improvement in Europe faces a downturn in ber, 1981, must be used in in capacity usage and almost business in 1980 and virtually restructure the European textile eliminated losses from under-

Further synthetic fibres slide

pressure on prices of synthetic begun in mid-1978 with a parti- boosted fibre raw materials under con- tarty marked improvement in although operating incoma was troi, the Ducco fibres group haly and Belgium. Textile pro- hit, since higher costs could not Enka said in its annual review. uncoun levels rose an estimated always be passed on in prices. Enka said in its annual review. Demand generally will be a per cent last year although. The EEC's deficit on its tex-depressed by mounting rates of man-made flore production rose tile and apparel trade rose 52 inhation and higher energy only 1 per cent. Inis slower prices eroding the growth in rate or growth was largely due ousposable incomes. Synthetic to market losses outside Wesiture sales will be held hack turn curope. by a downturn in the motor and

construction sectors as well as the decline in textiles. U.S. may further boost its exports of fibres and textile products, while traditional export markets for European producers

may shift their customers to the

Enka forecasts that in long-term imports of textiles and clothing into Western Europe will continue to increase. Quotas agreed under the current Multi-fibre Arrangement (MFA) will bring about a further reduction in the market share of European manufacturers. The hreathing space available until

no growin in the tonger term. industry, Enka urges. utilisation of capacity. Inventory Tne chief concern of the in 1979 the textila industry profits resulting from sharply industry is to bring upward continued the recovery which higher raw material prices also

ulicion levels rose an estimated

wante nore production levels were unchanged in Jepan they rose 7 per cent in the U.S. des-The expected recession in the pite the threatened domestic recession. Cost edvantages and the weakness of the dollar allowed the U.S. to eliminate Western Europe from many export markets and to increasingly penetrate Western Europe itself. Volume sales of synthetic fibre in Western Europe rose 2 per cent last year to around.

157,000 tonnes. ating profits of European com- and blazers from India. panies were "diatinctly less orgative" than in 1978. Significant voluntary capacity cuts Government.

company results per cent in the first half of 1979. Textile imports rose 15 per cent in the six-month period, while apparel imports rose 21 per cent. By contrast exports of both textiles and apparel rose only 2 per cent. Worldwide production

man-made fibres rose 4 per cent, or 542,000 tonnes to 14.3m tonnes. The share of man-mede fibres in world fibre consumption is now nearly 50 per cent. • The EEC Commission has introduced quotas on imports into the UK of babies under and outer garments from the Despite only modest gains in Philippines, under garments shipments and production oper from Hong Kong and jackets This is largely the result of representations by the UK

in November.
This represented 41 per cent

of the total combined carrier

fleet operating in oil trades compared with 39.9 per cent in

The effect of the U.S. ban on

SHIPPING REPORT

Quiet time for tanker market

BY LYNTON MALAIN

HIGH STOCKS of nil in the forecast for the grain trades, ber rose slightly compared with West and the continuad availahility of more tanker tonnage than could be used led last week to one of the quietest trading periods on the taoker chartering market for some time. Nevertheless, in the Gulf,

although the supply of vessels exceeded demand, some tanker owners succeeded in reversing an earlier downward movement The result was a moderate recovery in rates to Worldscale 45 for the very large crude carriers chartered for discharge in the West, and Worldscale 524

for discharge in the East. However, very few small tankers gained business in the Gulf. Rates fell further in the Mediterranean. Most rates for cross-Mediterranean charters varied from Worldscale 65 for a 180,000-ton cargo from the east Mediterranean for the west, to Worldscale 155 for 70,000 tons for shorter voyages. Tanker tonnage in the Carib-

bean faced low rates as demand feli away. On the grain markets, brokers recorded a fall in rates early in the week. But firmer rates were for crude oil weakened further grain shipments to the USSR. The volume of combined was not evident last week, but carrier tonnage operating in the can be expected to become more oil trades at the end of Decem- evident in the coming weeks.

carriers trading in the coal, metal ores and scrap markets

are expected to report an early

inquiries were reported for new charters. The spot market for crude oil weakened further.

On the tanker market, few

improvement in rates.

World Economic Indicators

17,927

FOREIGN EXCHANGE RESERVES (Millions of U.S.\$) Nov. 79 Oct. 79

perhaps by the end of the month or early February.

Elsewhere on the shipping markets, rates for raw materials the rate of a total of 19.3m

traffic started to recover, at deadweight tons traded in oil least on the Atlantic, after et the end of the year compared recent falls. Owners of bulk with 184 vessels, of 18.9m dwt

November.

FRENCH budgetary authorities staggerad its money-raising because of the planned rise in have shown a marked change of operations to help the market the Budget deficit forecast et absorb demand for funds. FFrs 31bn, Originally, the authorities intended staying broadly in lina

Split over public accounting practice

У 2_{1 19ў}

fell last week for the revision r accounting practices in local phorities, to make their acrounts mora uoderstandable ratepayers.

Mr. Noel Hepworth, director of the Chartered Institute of Public Finance and Accountancy (CIPEA), said the notion that local authorities could be d in the same way as companies unacceptable.

"Local authorities are nonprofit making organisations and it is wholly inappropriate to suggest that the provisions of the Companies Act should apply to them," he said.

The divergence of viewsmen of Environment consults-

Major

Treasury

reshuffle

By Peter Riddell,

completed

Economics Correspondent

MERE HAS been sharp tion document about the earthou to the Institute of publication of financial informa-hartered Accountants (ICA) tion by local government—has tion by local government—bas come at exactly the time wbeo attempts are being made to work towards standardisation of practices.

The Accounting Standards audit of commercial under-Committee is formulating State takings.

ments of Standard Accounting The ICA wants the abstract of Practice to try to eliminate differences in procedure.

The fundamental disagreement over the methods of pre-paring and presenting local authority accoons marks a split what has hitherto appeared to be considerable agreement. The ICA says that local authority accounts are too complicated for ratepayers to be able to find any useful informa-

Aspects of the acconots which opened up by the commercial the ICA would like altered in-and public accounting bodies' cluda the disclosure of nast and public accounting bodies' cluda the disclosure of past separate responses to a Depart capital expenditure and the

Mr. Hapworth, who rejects the charge that accounts are too complicated, argues that Department of Environment guidelines eovering local anthority audits are wider and more stringent that those applicable to the

. The ICA wants the abstract of accounts divided into two parts: a clear and concise summary of the consolidated accounts of the authority together with com-parativa figures for the previous year; and detailed income and expenditure accounts for aach service and relevant information relating to unit cost and macrower.

information from a five-year period should be considered as true trends can aeldom be disclosed from only tha previous year's figures, it suggests. The chartered accountants So should the total capital with rate levy.

object strongly to the local commitment for future years, anthority practice of publishing All that information should unaudited accounts. This occurs because all local authorities have the same financial year, ending on March 31, and district auditors cannot do all the work

The CIPFA agrees with nne recommendation — that the abstract of accounts should be published within six months of the ficancial year end. At present there is no time limit but it is understood that the Chief Inspector of Audits has also decided that a six-month limit should be introdured. The ICA extended

response to consider capital exenditure and recommended The possibility of providing that the total capital expendi- pames Act. ture planned for the next year analysed between projects

All that information should be sent to ralepayers with their rate demands. The ICA also local authorities should publish information and explantotal budgeted and actual

It says that the way working balances and reserves are pre sented can influence the interpratation of the accounts. The rate demand should clearly iodicate to what extent the rates are affected by changes in the level of working balances and other reserves.

The accounting presentation should be simplified oo similar lines to those of the 1967 Com-Mr. Hepworth said com-mercial attitudes to balances

in progress and new projects, and reserves did not apply should be published together because the problem of reserves with the method of financing, for local authorities was tied up

MPs' poll rejects televised **Commons**

AN ATTEMPT to televise House of Commons proceedings seems doomed to failure according to an opioioo poll of more than 100 MPs.

The poll, commissioned by Left, Right and Centre, ATV: political programme io the Mid-lands, showed 44 per cent io favour of televising Commons and committee proceedings and 53 per cent against with 3 per cent expressing no opinioo,

Control

Mr. Anstin Mitchell, Labour MP for Grismby, is seeking leave to introduce a Bill m Jaou-ary 30 to "provide for the televising of the House and its committees, and to establish Parliamentary television units to control the televising, provide feeds to outside orgao isations and to maintain ao electronic Hansard."

A similar Bill was defeated by 20 votes in 1978. Mr. Mitchell hopes that the new MPa voted in at the last election will belp push his Bill through.

Satisfied

But according to the poll this looks unlikely. The majority of the 23 new MPs questioned ere against the proposal.

The poll asked MPs if they were satisfied with sound broadcasting. More than balf of those questioned said they

close next month, bad its first

success on Friday, winning a

contrect to produce tractor hitch

and draw bars and mowers. The contract, which guarantees at

least 54 jobs, came from Massey Ferguson's Coventry

factory, and was won against

competition from an independ-

report published today hy Jordans surveys company. It

ent supplier in Birmingham.

Citizens' radio may hit snags

BY ELINOR GOODMAN, LOBBY STAFF

CITIZENS' BAND " radio may needed to allow use of the sets, e prevented from getting off but the Government would have be prevented from getting off ground by the Government's to decide which wavelength to lic spending curbs.

to decide which wavelength to decide which wavelength to lic spending curbs. public spending curbs.

Ministers are expected to decide shortly whether to legalise use of the short-range two-way radio sets which became a cult in the U.S. in the 1970s and which have gradually come into Britain in the past few years, though their use is illegal.

Home Offire Ministers are understood to be broadly in favour of legalising lbe system, which the Labour Government did nothing to encourage.

They believe that it would be in line with the Conservative associated Party's belief in freedom to open for it. up the air to private citizens in thia way... There is also the argument,

though it does not seem to have impressed Ministers particularly strongly, that legalising citizens band would create a new market for Britisb electronic equipment. Against the arguments in favour is the Government's broad aim of cutting public spending.

Users of the sets would preaumably have to pay lirenre fees, and supporters of citizens' band say that it would therefore he self-financing. The Treasury is generally apposed to lotroducing new taxes of this kind.

Legalising the system would almost certainly require setting up an organisation to regulate it, and so employing more civil servants at e time when the

Government is trying to shed

Commons Mr. Patrick Well, Tory MP for Haltemprice, beld out the prospect of a market this country if the system wera given the go-ahead. In the debate one speaker

licensing and regulatory pro

In Australia, the Government was forced to legalise citizeos' band radio because so many sets

were being operated illegally oo a frequency interfering with

As yet there seems no great

public pressure for legalization,

hut a reasonably strong lobby

includes membera of the Right-

ving Tory Monday Club, and

Shortly before Christmas In

an adjournment debate in the

snme of the electrical trade associations bave campaigned

cedures.

suggested ways in which the regulatory function could be may be that rather than take an immediate decision, Ministers will decide to publish a consultative document to test public interest.

In the U.S., where citizens' band was introduced in 1973, there are said to be more than 10m sets, mainly fitted in cars and lorries. Most have capacity tn transmit no further then 10 or 15 miles. Users have developed e vocabulary of their

No major legislation would be own.

Hotpoint hesitates over factory construction BY OUR OWN CORRESPONDENT

HOTPOINT. the washing et Llandudno, 10 miles away. machine manufacturer, may abandon the construction of a new factory at Kinmei Park near Rhyl in North Wales because of the cost of installing new gas mains to the site.

The factory could provide jobs in an area where structural unemployment has for loog heen a problem. There would be a potential 200 jobs by the end of next year, rising to 900 there-

Ucemployment in the area consistently exceeds 10 per cent with male unemployment rising to as much as 17 per cent during the winter. It is believed

Clwyd County Council, which has helped to nurse the scheme, fears thet the county's unemployment problem intensify considerably if the project lapsed.
The council pointed

yesterday that on top of the 6,400 steelmaking jobs axed by BSC at Sbotton and the 900 jobs due to go in the finishing plant at the Deeside works, any edditional loss of employment opportunities would be disastrous. "We shall do all we can to see that the Hotpoint development goes ahead.

Representatives of Wales Gas, Hotpoint and Clwyd and Rhuddlan Councils will meet later this week to try to resolve the difficulty.

Mail order the mains installation would THE GROWTH prospects for the mail order industry in the cost a six-figure sum. 1980s remain strong in spite of Hotpoint already has e factory ine expectea .nerce competitioi from multiple retailers, says a

saya the mail order sector has anoual sals of over £2.1bn and accounts for about 5 per cent COMMONS — Debate on the problems of the Northern Region Bees Bill, remaining of total retail sales.

Manx Budget

TYNWALD will meet on May 27 to consider the first Budget by which the Isle of Man Government will beve cootrol of its indirect taxation_rates, From April 1, the British Government will cease to control Manx Customs and Excise duties.

Three-day week

MOST OF the 600 workers at the container plant of Crane Fruebaus, North Walsham, Norfolk, will go on a three-day week this week. The short time MOORFEELD Manufacturing, will last at least four weeks, the company formed by Massey and is due to a drop io orders

Sony launches office dictation system

would sooo have fewer precious goods io their wiodows, eod these would have a much lower while craft products are more of articles by 11.8 per while craft products are more continuously is more December fell by 9.2 per cent concerned with the mass market on the previous quarter, and the mass more gold, number of articles by 11.8 per while craft products are more continuously is more December fell by 9.2 per cent concerned with the mass market on the previous quarter, and the the Japanese electrooics company, to win a large share of the office dictation market in lems in the silverware industry, replace stocks. His federation at the right price there will be quarter, cormally the peak where the instability of the was holding talka with certain a risk of reduodancies.

microprocessor controlled office dictatioo system—called Network—as part of plans to divarsify its activities into

some orders for Network, and is awaiting the all-important Post Office approval before it can begin to Instal them. It says Network can allow 18 bours of continuous dictation compared with rival machines which only offer six bonrs, and can be used by an uolimited number of people.

the system is installed. MORE THAN 700 workers at Jobo Beales Associated Comin Loughborough, Laucestoo, cations, mining and tractor and Nottingbam. At present, equipmaot,

House of Kevs

THE Isle of Man is looking at the way in which it elects mem bers to the House of Keys. A committee, nnder Dr. David Butier, the Oxford psephologist, as chairman, has held its first meeting and has been giveo as its brief the decision that each member ahould be elected by

Business in Parliament existing state of legislation relating to freshwater fisheries in Scotland. Debate

stages. Motion on the Value Added Tax (Fuel and Power)
(Metrication) Order. At 7
pm Opposed Private Business.
TOMORROW

COMMONS — Competition Bill, remaining stages. Motion on the European Community Documents on European Court

COMMONS—Debate oo the report on the Merrison Committee on the National Health Service. Motion on tha European Communities (Definition of Treaties) Multilateral Trede Negotiathe

problems facing busioesses, and oo small on the increase in the price

nf Justice. LORDS — Reserve Forces Bill

(Consolidation measure), committee. Papua New Guines. Western Samoa and Nauru (Miscellaneous Provisions) Bill. third reading. Motions to approve Southern Rhodesia (Legal Proceedings and Public Liabilities) Order 1979; Southern Rhodesia (Constitution of Zimhabwe) (Elections and Appointments)
Order 1979; Dangerous, Substances and Preparations
1Safety) Regulations 1980;
Child Benefit and Social
Security (Fixing and Adjustment of Rates) Amendment Regulations 1980. WEDNESDAY

tions) Order. LORDS—Debates particularly ioto the edocational 00 and psychological needs of oewly blinded adolts.

SELECT COMMITTEES -Industry

Industry and Trada. Witnesses: Sir Keith Joseph, Industry Secretary, Mr. Adam Butler, Minister of State and Sir Peter Carey (10.45 am, Rnom 16). Foreign Affairs Committee. Subject: Foreign and Commonwealth Office organisation. Witnesses: Foreign and Commonwealth Office (11 em. Room 15). Education, Science and Arts. Subject: The funding and organisation of courses in higher education. Witnesaes: University Grants Committee (10.30 am, Room 6). Transport Committee. Witness: Mr. Norman Fowler, Minister of Transport 14 pm, Room 15). Social Services, Subject: Perinatal and Neonatal Mortality Witnesses: Spastics

Society Child Poverty Action Group. National Birtbday Trust (4.30 pm, Room g). THURSDAY COMMONS Debate nn the role nf nuclear weapons fo Britain's defence policy. LORDS — Police Negotiating Board Bill, report stage. Representation of the People Bill, third reading, Protection of Trading Interests Bill, second reading FRIDAY

COMMONS—Private Members'

CORPORATION 1600 Arch Street Philadelphia, Pennsylvania 19101 NOTICE OF STOCK SPLIT

To the Holders of 6% Convertible Subordinated Debentures Due 1997 (the "Debentures") of INA Overseas Finance N.V., issued under an Indenture, dated as of Angust 1, 1977 (the "Indenture"), among INA Overseas Finance N.V., 1NA Corporation, and Morgan Guaranty Trust Company of New York,

PLEASE TAKE NOTICE that on December 19, 1979, the Board of Directors of INA Corporation, a corporation organized under the laws of the Commonwealth of Pennsylvania, United States of America (the Corporation), declared a 3-for-2 spot in the Corporation's outstanding shares of common stock, par value \$1.00 per share. The record date for the split is January 18, 1980. Certificates representing additional common shares to be issued as a consequence of the stock split will be mailed to shareholders on or about February 15, 1980. Fractional shares will not be issued as a consequence of the split. In lieu thereof, the Corporation will make a eash payment, based on the per share closing price for the Corporation's common shares on January 18, 1980, the record date, as reported by The Wall Street Journal, to each shareholder of record otherwise entitled to a fractional

share as a result of the split. The conversion rate with respect to the number of common shares of the Corporation into which each \$1,000 principal amount of Debentures is convertible under the Indenture is to be appropriately adjusted pursuant to applicable provisions of the Indenture.

> Dated: January 8, 1980 INA CORPORATION · By: James L. Walker Senior Vice President and Treasurer

THE MAJOR reshuffle of senio Treasury officials has been completed with the appointmant of Mr. Aodrew Brittoo to

run the monetary analysis and forecasting unit. He will take over the post from Mr Peter Middleton, who has been promoted to Deputy Secretary responsible for fiscal

and monetary policy. Mr. Britton, 39, will hecome an Uoder Secretary. He will advise oo overseas and home financiai issues, aod be responsible for producing domestic monetary and external capital

account forecasts. Under Mr. Middleton, this was built up into an influential post, closely involved in all the key pre-Budget decisions of setting the public aector borrowing and monetary targets.

Ladder

Mr. Britton has risen rapidly up the Treasury ladder after joining the department in his mld-20s, and has been involved on the overseas side. working on balance of payments matters. He has recently completed a year et the London Business School doing research. where he worked with Professor Terry Burns, now the where products are frequently ing must maximise the exploita-treasury's chief economic market led."

This appointment completes the latest resbuffle, but further that the UK which, io many obtained orders for its viewdata moves are likely leter this year product areas represents less service from over 20 U.S. corpofor industrial policy, retires. oology product, is not an developed by the Post Office.

3Y LORNE BARLING

in their products.

gold jewellery.

ed deal

changes as the result of the soar-

The increased cost of these

small manufacturers and a loss

of jobs as the bigber prices meet consumer resistance in

the shops. The industry already

faces problems from imports of

Short-time working has been

introduced in both London and

major jewellery centres. There

Birmingham, the country's two gold content.

ing price of gold and silver as prices.

raw materials is also certain to see retsilers selling gold lead to liquidity problems for jewellery et prices which do oot

Strike reduces demand for energy

BY MARTIN DICKSON

ELECTRICITY AND GAS industries have not yet suffered significant damage as a result of the steel strike, but a prolonged stoppaga which spread to the private sector could alter the situation.

The Ceotrel Electricity Generating Board, which satisfied a record peak demand of 44.219 MW last Monday, esti-mates that its load has been reduced by np to 1,000 MW by

the stoppage. Electric arc furnaces are among the largest users of electricity in the steel industry. Although the British Steel Corporation has a large con-centration of electric arc furnaces near Sheffield, most of supplies ara stretched to the this equipment is in the private limit and British Gas has to

BY ELAINE WILLIAMS

THE RECENT report by the

Advisory Council for Applied

Research and Development on the impact of technological change on the UK has overlooked several important issues, according to Mr. John Pearce, managing director of Insac Viewdata, a subsidiary of the National Enterprise Record

National Enterprise Board.
Mr. Pearce said that the report was "too product oriented" and pointed out that "product development without

to take into account the fact

manufacturers reduce the amounts of precious metals used gold is regarded by jewellery escaping the fact that sales will manufacturers as a problem drop. Jewellery design will also

equal in seriousness to its high

value, and they are amazed to

Mr. Manfred Durst, vice-president of the British Jewellery and Giftware Federa-

these would bave a much lower

have also been redundancies in tailers were fectog serious prob- unions that until they can be Sheffield as the result of prob- lems in finding the money to sure of selling their products

He said maoufacturers and re-

reflect the replacement cost.

Jewels 'will contain less gold'

because they cannot fix their to manufacturers.

Report on technology

such as computer software attached. Companies participat-

BRITISH JEWELLERY design silver price has led some manu-undergo fundamental facturers to suspend production bility of extending credit terms secretary of the National Union

parket led." tion of worthwhile develop-The ACARD report also failed meots, Mr. Pearce said.

'neglects market'

Electicity Council, which is finding it bard to meet the cash limits and financial targets the

The strike is likely to have far less impact on British Gas, which in 1978 provided 595m therms to the ferrons metals sector, of which BSC would have been by far the largest At this time of year, gas

supplies ara stretched to the

adequate window on the world

Mr. Pearce commeoted that

because advanced nations

believe they must compete aggressively for high technology, the rate of product innovation is very high. "This, combined with heavy product

and market development costs.

requires the rapid penetration of volume markets if the R & D

pump is to be kept suitably primed."

"If the value of gold stays

change, with items likely to con-

tain less thao 5 grammes of gold

as now," Mr. Durst said.

generally made in London.

· Manufacturers have told the

mather than about 10 grammes are reflected in the last

problem may differ between gold wares sent to the UK's four Lordon and Birmingham, since assay offices from Catalantees and the Midlands industry.

the Midlands industry is more December fell by 9.2 per cenf

for development insights.

sector. An extension of the cut off supplies temporarily to strike, coupled with a knock-on industrial customers on interthroughout industry, ruptible contracts. A reduction could therefore cause a sharp in supplies to BSC means that drop in demand for electricity. more gas is available for other This io turn would bave cuatomers although British Gas culties, finsocial implications for the may be losing some revenue hecause of differences in the tariffs levied on customers with secure supplies and those on interruptible cootracts. Government has set for this

British Gas's main contract as customer of BSC la for the supply of pipes for its fourth Scottish gas feeder pipeline, which will run 280 miles south from St. Fergus to Bisbop Auckland. Construction work is due to begin io the spriog. Since British Gas alreedy has

presents on immediate problem. However, a prolonged stoppage and a slow resumpof normal production could eventually present diffi-Production in the coal indus-

try could be affected more quickly if the strike persists. The NCB reckons it has supplies steel mining equipment sufficient to last some five to seven weeks. So far the strike has not

affected the NCB's output of coking coal, which is being stockpiled in areas where it caooot be delivered to BSC plaot. However, the strike seems cerin stock over 50 per cent of tain to reduce further BSC's of those the pipes it oeeds, the strike demand for NCB coking coal.

By Martin Dickson

AN EXPANDED British coal industry will constitute a vital part of a policy of "energy insurance" for the UK, according to Sir Derek Ezra, chairman of the National Coal Board.

In the latest issue of Coal and Energy Quarterly, ao NCB Journal, Sir Derek says that Britain cannot afford to take a relaxed, " walt-and-see " attitude because of its North Sea oil and gas. That would be dangerous complacency.

complementary market development cao be a total waste of money, particularly in areas Alternatives to oll, particulong lead times and decisions were required now if these resources were to be available in Last week. Insac Vlewdata the 1990s.

the midst of a major public ioquiry into the Coal Board's when Mr. Fred Jooes, the than 5 per cent of the total rations. Viewdata is a computer loquiry into the Coal Board's when Mr. Fred Jooes, the Coal Board's when Mr. Fred Jooes, the Coal Board's when Mr. Fred Jooes, the Coal Board's per cent of the total rations. Viewdata is a computer loquiry into the Coal Board's plans to sink three new pits in developed by the Post Office.

of Gold, Silver and Allied

Trades, said in Sheffield that one

local company had suspended its silver plating operations because

of the wild fluctuations in the

silver price over the past year.

quarterly figures from the Assay

British silverware sent for

assay fell by 36.3 per cent aod

the oumber of articles by 26.2

The problems of the industry

Ezra sees coal as vital part of energy insurance

Sir Derek's article comes in

Tramp shipping up

15 per cent between the third and fourth querters of last year, says the General Council of British Shipping. The GCBS tramp time charter index (1976=100) rose to 237 in the final quarter—78 per cent above its level in 1978 and 180 per cent up on the 1977 figure for

Jobs guaranteed

Fergusoo to find work for its in the container market.

office antomatioo. Sony has already obtained

even if they are many miles away from the office where

Workforce cut

panies, manufacturers of Marathon clothing, will lose their jobs to the next year at factories the company employa about 1,900. The company suffered a £Im turnabout to a loss of £560,000 in the six months to September 19, last year against a previous surplus of £479,000. The loss wes a result of severely eroded margins and shrinking demand for the group's knit-wear and underwear products.

been installed at Blrmingham

University. It was pald for with a £5,000 graot from St. Dunstao's. It will be used to store and analyse data pro-vided by various research projects carried out by the Research Centre for the Education of the Visually Handicapped.

Miners' record

IN SPITE of geological problems undergrouod, mioers at Floreoce colliery, North Staffs, have brokeo a nine-year-old weekly output record by producing 24,140 tonnes.

GKN redundancies

HALF THE workforce at GKN Sankey's automotive plaot at Cable Street, Wolverbampton, will be made redundant because of falling orders. The company says that 110 shop floor workers and 29 staff will have to be sacked in the oext three months. The plant makes general fabri-

A COMPUTER to belp research as near as possible the same into education of the blind has number of electors.

APPOINTMENTS Chairman at Philip Morris Ltd.

Mr. Robert W. A. Hermans, and actuary of the Life Associamaoaging director of PHILIP tion of Scotland, has become
morris LTD, bas been deput chairman of the Associaappointed chairman and managing director. He succeeds Mr. ing director. He sucreeds Mr. Derrick V. Littlejohn as chairman. Mr. Hermans joined Philip Morris in 1972 as market-Philip Morris in 1972 as markering director, Holland, and was appointed managing director. Philip Morris Ltd. in 1975. Mr. Littlejohn continues as a member of the Board. Mr. James Lock, director of finance, has been appointed finance director, and a marker of the Board.

member of the Board. Mr. Brian W. Turnbull bas sinca 1977.
been appointed a director of
GEORGE WATERSTON AND
Mr. G. Grab

general manager and actuary of operating divisions—shipbulld—bas been appointed a director the Scottish Provident Institution, has been elected chalrman minal, electronics and engineer—thanah, chief executive of the of the ASSOCIATED SCOTTISH ing and management. He suc- forgings and castings division, the Associated Scott is ing and management. He such that the annual ceeds Mr. William B. Relks who has been elected a director of the Group Board and Mr. I. G. Prondfoot who steps down after Mr. Willia M. Hawkins, senior Runcinan, managing director of Runcinan managing director director director director completing the usual two year corporate vice president—air-

Mr. Phillp Girle has been appointed general manager of NATIONAL WESTMINSTER BANK'S related banklog ser-BANK'S related banklog services division. He will take over from Mr. Phillip Wilkinson, who succeeds Mr. Tom McMillan as depoty group chief executive (UK Busioess) on July I on Mr. McMillan's retirement. Mr. Girle has been deputy regional director of the bank's City region since 1027

Mr. G. Graham Whipple has beeo appointed Group vice president of LOCKHEED. He bas Mr. J. M. (Jee) Macharg of overall responsibility for four eneral manager and actuary of operating divisions—shipbuldterm in the chair. Mr. J. M. craft. He remains a member of aging director of Easicut Tools, MISS term in the chair. Mr. J. M. craft. He remains a member of aging director of Easicut Tools, MISS (Jim) Sounces, general manager the Board of directors. Succeed- has been appointed chief execut. February,

INC., Houston—a company in the Norcem CP Group. Dr. John C. Hndson bas been appointed chief executive of the commercial division of STER-LING ORGANICS, a member of

the Sterling-Winthrop Group.

The AURORA GROUP has made the following appointments: Mr. B. R. G. Davies, chief executive of the steel division,

Mr. Michael Burton has been appointed plant director of TI NICHOLSONS SILENCERS, of Glasson Dock, near Lancaster,

Mr. Nathen Waldman has been appointed president of CATHO-DIC PROFECTION SERVICES, bridge Silencers. Mr. R. G. (Ray) Fisher, geoeral manger, of EQUIPMENT PURCHASE AND PROGRESS SERVICES, has been appointed a

> Mr. R. Blockley has been appointed group production director and Mr. B. M. Brear has

manufacturers of car allencers

been made Group sales director of EDGAR PICKERING (BLACK-BURN). Mr. Frank Stroud has been elected chief executive of KEE KLAMPS. Kee Klamps is a member of the Thomas Tilling

Mr. G. Barber has been appointed managing director of MISS SELFRIDGE from

£60,000 study on robot development Kilmarnock factory which will

seek to identify the manufacturing opportnoltles for robot parts by British industry has been commissioned jointly by the Government and private

industry. The study, to be carried out by the Industrial Innova-tion Centre, will concentrate on the mechanical and sensing technology invoived in robot development. It will be concerned largely with the U.S. and Japan, where most of the development of robotics

has taken plece. Among the study's backers are the Scottish Office, Warreo Spring Lahoretories, and 10 companies. They hope to be able to advance the development of the mechanical and sensing devices by hring-ing together existing expertise in these areas in Britain with that being developed over-

TRAMP shipping rates jumped

the fourth quarter.

A BID is belog made by Sony,

It bas launched lts first

Helping the blind

THE STATE OF PARANA STATE FINANCE DEPARTMENT

COMPANHIA PARANAENSE DE ENERGIA ELETRICA-COPEL COMPANHIA AUXILIAR DE EMPRESAS ELETRICAS BRASILEIRAS... CAEEB Invitation to Suppliers of Electric and Electronic Materials and Equipment SECOND DISTRIBUTION PROJECT OF COPEL

COPEL will utilize the services of COMPANHIA AUXILIAR DE EMPRESAS ELETRICAS BRASILEIRAS — CAEEB, in the procurement of related materials and equipment.

III—During the next twelve (12) months COPEL will issue invitations for international bidding for the supply of equipment, materials and services which are grouped in the following BID5: APPROX. QUANTITY DESCRIPTION Aluminium Conductors ACS Aluminium Conductors ACSR
Insulated Aluminium Conductors 3.100 tons

Insulated Copper Cable 70 km 110 cons Bare Copper Cables Galvanized Steel Cables 320 tons Single-phase, Polyphase and Demand Meters
Power and Grounding Transformers at 230 kV, 13B kV, 69 kV
Distribution Transformers at 34.5 kV/220/127 V and at 13.8 kV/220/127 V 415,000 inits 2.120 MVA -Circuit Breakers 210 units -Potential Transformers 220 onits -Discharge Counters Control Equipment:

Reclosers, Voltage Regulators and Capacitors 3,200 uoits Lightning Arresters
Fuse and Sectionalizers Switches 33,000 nits

Transformers for Metering Sets and Instruments 30.200 units Equipment for Maintenance of Energized Lines Oil Purifying Sets
Equipment for metering, Phylocochemical and Electrotechnical Laboratories

IV—These invitations will be complemented by nonfying the diplomatic representatives in Brazil. of the World Bank member countries and of Switzerland, at the time the corresponding bidding documents for each bidding are ready. V—Meanwhile, the suppliers and manufacturers who wish to be included in the suppliers hist to receive the invirstions above mentioned, must express in which bid or group of bids they are interested to participate, by writing to the following addresses:

COMPANHIA PARANAENSE DE ENERGIA ELÉTRICA - COPEL At.: Superintendência de Suprimentos BR-116, km 396 - Trevo do Atuba Caixa Postal 318 80000 - CURITIBA - PARANÁ - BRASIL

COMPANHIA AUXILIAR DE EMPRESAS ELÉTRICAS BRASILÉIRAS — CAEEB

At.: Coordenador de Compras Av. Rio Branco, 135 13° andar

ZC-00 RIO DE JANEIRO - CEP 20000 - BRASIL.

These letters will be received up to and including two months from the date of this advertisament, and all the letters will be included in the Bid malling list.

Argentine Republic

Ministry of Economy

State Secretariat of Energy

Hidronor S.A.

Hidroeléctrica Norpatagónica Sociedad Anónima

Alicopa Complex

Alicurá: Hydroelectric Project

Prequalification of contractors:

Contract No. 541-supply of electric auxiliary equipment

In connection with a subsequent call for tenders for design, manufacture, transport, erection, testing and commissioning of electric auxillary equipment. Hidronor 5.A. will receive and analyse the qualifications and references of those firms or consortia of firms that have adequate ical capacity and wish to take part in the call for tenders,

—isloated phase hus and switch-gears -generator-main transformer blocks protective devices boards.

Contract No. 542-erection of electric auxiliary equipment In connection with a subsequent call for tenders for the erection of electric auxiliary equipment. Hidronor S.A. will receive and analyse the qualifications and references of those firms or consortia of firms that have adequate technical and financial capacity and wish to take part in the call for

(1) erection and commissioning of the following electric auxillary equipment.

(a) Isolated phase bus and switch-gears

distribution transformers (c) main and secondary my and ly-ac switch boards, including mee-de switch boards (d) batteries and battery chargers

(e) protective device boards
(2) supply, laying and connection of:
(a) 13.2 kv power cables
(b) iv-ac and dc power cables

(d) grounding cables for connection of non-conductive parts of electric devices and other parts to general grounding system (including fittings)

(e) telephonic system tables
(f) supply of conduits cable-trays and others including accessories for the above-mentioned cables and for all the cables of the "supply and erection of automation and control

(3) supply, erection and commissioning of the lighting and outler system, including emergency

(4) idem idem for the clock system

(5) idem idem for the call signalling system (6) Idem idem for the fire alarm system

(7) idem idem for the distributor board of cables at power house

(B) tests for commissioning and industrial operation Terms of reference:

The procedure for submission of data and the characteristics of the supply are set in the corresponding prequalification document which may be obtained personally either from Hidronor, S.A. Av. Leandro N. Alem 1074, 5th Floor, 1101, Buenos Aires, Argentina, or at the main offices of Electrowatt Engineering Services Ltd., Bellerivestrasse 36, CH 8022, Zurich, Switzerland, and SWECO AB. 2. Linnegatan S-102 41, P.O. Box 5038, Stockholm S, Sweden, as from Decamber 17, 1979. The envelopes containing the qualifications and references of the firms or consortia concerned shall be submitted to Hidronor S.A., Av. Leandro N. Alem 1074, 5th Floor, 1001, Buenos Aires, Argentina, before 4 p.m., February 28, 1980.

GOVERNMENT OF THE REPUBLIC OF SURINAME MINISTRY OF DEVELOPMENT

Kabalebo Hydroelectric Project INVITATION FOR PRE-QUALIFICATION OF TENDERERS

Applications are invited from austably experienced civil weeks confractors to pre-quality to lander for the construction of the first stage of the Kabalaba Hydroelectus. Schame.

Only contractors who have been pre-qualitied will be invited to tender for the ordinate. The Kabalaba Hydroelectus Schame is situated on the Kabalaba River in Wastern Surname. The first stage consists of:

is Falla Dam and Power Plant plus saddle dikes near the main dam.

River Diversion Works. These works are gittsated about 200 km to the south of Devis Falls is for the complete civil engineering works and the hydraetic steel works for the above lots. The Davia Fells 0cm has a maximum beight of about 70 m. It consists of a concrete part incorporating apillway, intakes, 7 m diameter penatocks and powerhouse, and an earth- and The Davis Fells Com has a maximum origin of accurry m. It consists and an earth- and rockfill part.

The powerhouse is situated at the toot of the dam. At full development the powerhouse will have six units. 83 MW each—three units will be installed in the first ators of development. The sadd's dikes consist of low hit embankments and some low overflow wents in concrete. The Lucia River Original is system of dikes and canels over a length of about 23 km, and a large canal liceated about 15 km further north.

On the Lucia River there is a concrete spillway with five getss.

Approximate quantities involved are:

Concrete

Concrete

Concrete

Consider the accurate spillway with five getss.

Approximate quantities involved are:

S00,000 coble metres

Consider the maximum of the metres

6.5 million cubic metres

8.500 times

Brochures giving details of conditions, procedure, and forms for on-qualification, and scope of the work envisaced con be obtained on optication from

NORCONSULT A.S., P.O. Box 9, 1322 Hevis/NORWAY

All apolications who have undertaken at least one picted of the value of USS S million and above during the past ten yours in hydropower or have comis angineering works as rean contractors med apply.

Contractors may consider co-operation with local centracters

All apolications for one-qualification should be ferwarded to NORCONSULT A.S., P.C. Ser 7, 1322 Nowle, Nowley, in acoled onvelops mayfud: "Pro-ounification in the Kabalabo Mydroefectine Project." The application should be recovered by March 15, 1389

Confractors who have already expressed their interest should be recovered by March 15, 1389

MINISTRY OF DEVELOPMENT.

NIGERIAN PORTS AUTHORITY

TENDER FOR THE PURCHASE OF M/V. "OLATEJU"

1. Tenders are invited from interested individuals and organisations for the purchase of the vessel M/V. "Olateju". The following are the particulars of the vessel:-

(i) Motor vessel:

(it) Year built: (iii) Length:

(ly) Breadth: (v) Depth: (vi) Draft: (vil) Gross Tonnage:

(viil) Net: (ix) Deadweight: Grain Capacity: (x1 (xi) Bale Capacity:

(xii) Engine: (xiil) Horse Power: (xiv) Speed: (xv) Holds:

(XVI) Derricks: (xvii) Classification:

2 x 15 Tons Nippon Katji Kyokai The above particulars are given in good faith, but no responsibility can be accepted by the Authority for their occuracy. Purchasers are warned to make their own enquiries,

ex Dayaka Dua

ex Miura Maru

100.89 metres

t5.32 metres

7.80 metres

6.351 metres

1965

3.197

1.985

5.157

6922M

6616M

2640 .

12 knots

Sulzer/IHI

and if necessary carry out physical inspecion of the vessel which is moored at Marina Buoy Lagos Port. Tenders which should be submitted in a wax sealed

envelope marked "Confidential Tender for the purchase of M/V. " Olateju " and addressed to:-

> The Secretary. Nigerian Ports Authority. P.M.B. 12588. 26/28 Marina, Lagos.

should be deposited in the Tender Box on the 6th Floor of the Nigerian Ports Authority Headquarters Building, 26/28 Marina, Lagos or delivered to the Authority's London Representative at the following address:-

Nigerian Ports Authority, Mansfield House, 376/379 Strand, London, W.C.2.

5. All tenders must be submitted not later than 15th February. 1980.

Prospective tenderers are warned that the vessel will be sold "As Is Where is" and the Anthority does not accept any liability for the condition of the said vessel.

7. The Nigerian Ports Authority, is not bound to accept the lowest or any tender.

8. Successful tenderer must he prepared to remove the vessel from its present location immediately on being advised of the acceptance of his/its tender and after payment of the tender sum, but definitely not later than thirty days thereafter.

> J. E. KALU Secretary to the Authority.

N.P.A. NOTICE NO. 3219 Dated 3rd Janauary, 1990.

BRAZIL

COMPANHIA HIDRO ELETRICA DO SAO FRANCISCO (CHESF)

ENERGY MANAGEMENT SYSTEM

Centrals Electricas Bratileiras S/A (Eletrobras) is applying for a loan from the World Bank, part of which is intended for financing the cost of an Energy Management System (EMS) for the supervision and control of the operation of CHESF's electric power system. This EMS will be located at CHESF's system operating centre in

About the end of Fabruary 1980. CHESF intends to issue official bld invitations and specifications covering the supply of all hardware, software system integration services and training necessary to provide a completely operational system including remote terminal units, computer peripherals, man mathing interface teleprocessing interface, supopre software and applications software. The EMS system shall support remota consoles to be located at CHESF's five (5) regional operations centres as well as a computer-to-computer communication link with the Brazilian national supervision and co-ordination centre computer facilities.

The EMS system functions will include forecasting and scheduling study mode and real-time security attessment, system monitoring. Supervisory control, automstic generation control, voltage scheduling, energy accounting and operations analysis, recording and reporting. The CHESF present installed capacity is about 3000 MW 190 per cent hydro-electric) and is expected to increase to about 9000 MW by 1986, the system will then have transmission at

Prospective bidders from mamber countries of the IBRD or Switzerland are invited to indicate in writing their desire to be included in a mailing list to receive, at the time of the issue of the bid documentation, an official invitation to participate in the bidding. Letters shall be addressed to:

Companhia Hidro Eletrica do São Francisco-CHESF Diretoria de Suprimento Departamento de Compras e Contratacoes Divisso de Aquisicous Especiais Rus Dr. Elphego Jorge de Souzs, 333 50,000 - Recife - PE

The bid documentation will be available only at the above mentioned address at a cost of U.S.5200.00.

UK NEWS-LABOUR

Plans to restructure post union rejected

A SPECIAL conference of the Union of Post Office Workers on changing its structure came to an abrupt end yesterday when delegates rejused to executive's report had been a implement the executive's proposal to set up two autono-

Their decision was made in the face of a warning from Mr. Tom Jackson, general secre-tary, that unless decisions on internal reorganisation were taken now "the united fabric" of the union would be endangered.

The conference in Bournemouth, did, however, agree to delay a detailed report on the union's structure until the full implications of Government ingislation to split the Post Office were clear.

This probably means that a report will not be put before

another conference until 1982. Delegates, decided to change the union's name to the Union of Communication Workers from June, in recognition of the division of the Post Office. The executive had proposed the

Pay threat to Blue Circle plant

A SHADOW has been cast over the future of an Ulster cement works award by Blue Circle Industries because of a pay dispute affecting the unloading of coal and raw materials.

A smill section of the 200strong labour force at the Larne works is refusing to accept new arrangements to speed up

unloading.

Blue Circle has halted deliveries of hoth coal for ruoning the kiln and clinker for grinding into cement. The plant, which supplies much of Northern Ireland's cement, was shut on Saturday and the company gave the workforce seven days in which to accept the new

The General and Municipal Workers' Union convener at the works accused the company of failing to stick to agreed negotiating procedures. There were no geninue fears of closure, he said.

Employment

By Our Labour Staff

THE GOVERNMENT should give the TUC two years in which to test its ability to control the activities of the trade union movement before legislating, a union leader said at the week-

Mr. Sid Weighell, general secretary of the National Union of Railwaymen, urged Ministers, "even at this late stage" withdraw the Employment Bill, which seeks major amendments to labour law.

Trade union resistance to the plans will be expressed at a special TUC conference lomorrow in London, to which delegales from all affiliales have been invited.

Mr. Weighell, speaking at Cambridge University, said Government policies enuld lead to "massive social unrest. "We must compel the Government to change course or they will lead us to disaster."

Unions 'are scapegoats'

MR. RDN HAYWARD, the Labour Party's general secre-tary, yesterday accused Mrs. Thateber of being intent on "smashing the unions to smithereens."

The Prime Minister was pillorying 12m trade unionists oud their families as the scape-goats for Britein's problems, he said. But for her to pretend that the unions hold the whiphand in Britain these days was "o distortion of the facts of which Dr. Goebbels would have been proud."

Speaking at a meeting of Labour Party officials in Brighton, be worned the Government that curbing union power may have short-term superficial popularity. But in the inng run such atlempts not only provoke strikes, they turn the majority of the working population against the Govern-ment and are electorally disastrous."

Meccano mass meeting today THE 940 EMPLOYEES, mostly

women, who have occupied the Meccano toy factory on the Edge Hill Industrial Estate, Liverpool, for seven weeks. have been called to a mass meetling at the plant this morning.
Union officials and shop
stowards will exploin joint talks in London on Friday with the parent company. Airfix Industries. It was agreed then to form g joint working party on the possibility of an outside in-terest, such as the Maharishi Mahesh Yogi's Age of Enlightenment Company, taking over the

name of the Amalgamated is that some unofficial recruit-union of Communication ment demarcation lines, particu-workers. The principal element of the workers, are less secure than

executive's report had been a they once were believes that proposal to set up two amones and the sections for its members unless it sets up autonomous in Posts and Telecommunica sections there could be dissatistions, in order to protect the faction among its telecommunications. tions in order to protect the union's telecommunication members. cation membership. But those who moved the conference resolution to delay alterations in the structure said

fire union should not be "stampeded" into changes. One of the union's problems Pickets 'like fair cops'

from Barnsley and two from Sheffield—have applied to

The Government has decided to split the Post Office into two

decendent businesses.

join the police force. Mr. Brie James, Assistant Chief Constable (Staff Services) of South Yorkshire poffce, in charge of operations during the strike, commented: "I take this as a compliment

to the way our officers have conducted themselves during the dispute.
"I have been a policeman for 30 years and have been involved in quite a few pickets and strikes, but this is the first time I can remember men wanting to join the force because of what they have seen on the picket line."

COMPANY NOTICES

BRAZILIAN INVESTMENTS S.A.

Sociedade de Investimento Decruto Let No. 1401 NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

manance of the immediates from 2 littree) to 2 (two) years and that the following wording be substituted therefor:

Notioning working the purchase and the first fact to a minimum period of permanence of a their years, after which the proceeds of the Houstontion of the purchases the Houstontion of the purchases through the sale of singles Stand by the Company may be returned, in accordance with the conditions established in the Regulations of the Monetary Asthorities.

maintion 3.

In the following personnels by added

In Article Id.:

In Personnels and investment conlimitation of investment convocation

of the assets of the Company, the

period for flugation may be go
tended to the to the working days.

Repolation 4: To defete Article 17 of the Articles of Incorporation and to re-oscaber the re-maining Articles.

Respission S In Article 35 inew Article 341 letter To approve the budget of the Common which a to be submitted on a thirment which as to be submitted on a thirmentally as apposed to a quarterly basis. Thus this Article with read as follows.

INCIDENT AS EXPONENT AS A PROPERTY OF THE PROP

If any or two paying agency hashed two-plentings Courselve Trips Columnity of Morey Cort. in Brightellin-Assessed size in the Cort. In

NOTICE TO EDR HOLDERS

THE CHASE MANHATTA!

BEARER DEPOSITARY RECEIPTS REPUBLIES PREMINE SECTION SECURITY RECEIPED PREMINED AND SECTION SECURITY REPUBLIC PREPERRED STOCK

are and after January 22, 1986 upon prefectation of toupon but 15 at the office of any of the following depositation:

MORGAN GUARANTY TRUST CY OF NEW YORK, 30 West Broadway —NEW YORK, 35 awnue den Arts —LONDON, 33. Lombard Street —PARS 18. Pike Yendome FRANKFURT, 8. Bockenheimer Landstrasse.

Vis Boncompagni, 27, Rome BANK MEES & HOPE NLV., Heren-grach; 546, Amsterdam RREDIRIBANK S.A., Bd, Royal, 43, Lasonabourg

NOTICE OF RATE OF INTEREST HILL SAMUEL GROUP DWITED

U.S.SJO,000.000 FLOATING RATE NOTES THE 1992

In accordance with the provisions of the Abest Bank Agreement between Arthur Seesal Carper Liveled and Cirk-Seesal Carper Liveled and Cirk-Seesal Carper Liveled and Cirk-Seesal Carper Liveled 1978 p. 1. See Arthur 1988 p

BANQUE MATIONALE . DE PARIS Fishting Rate—Note Issue

JARUSTY 21, 1980.

of U.S.\$ 70 million January 1977/83 The rate of interest applicable for the six months period begioning on fanuary 21st. 1980 and 14 % annually.

ESSELTE AKTHEBOLAG U.S.Sh.000,000 By% Notes 1884

Molders of the obove feets are ad-law first the Redemption due on the 15th Debruary 1980. Let U.S. 1800000 Nowhast him been elected be stretuse. 21st JANEROS BANK LIMITED

PUBLIC NOTICES

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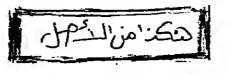
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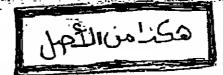
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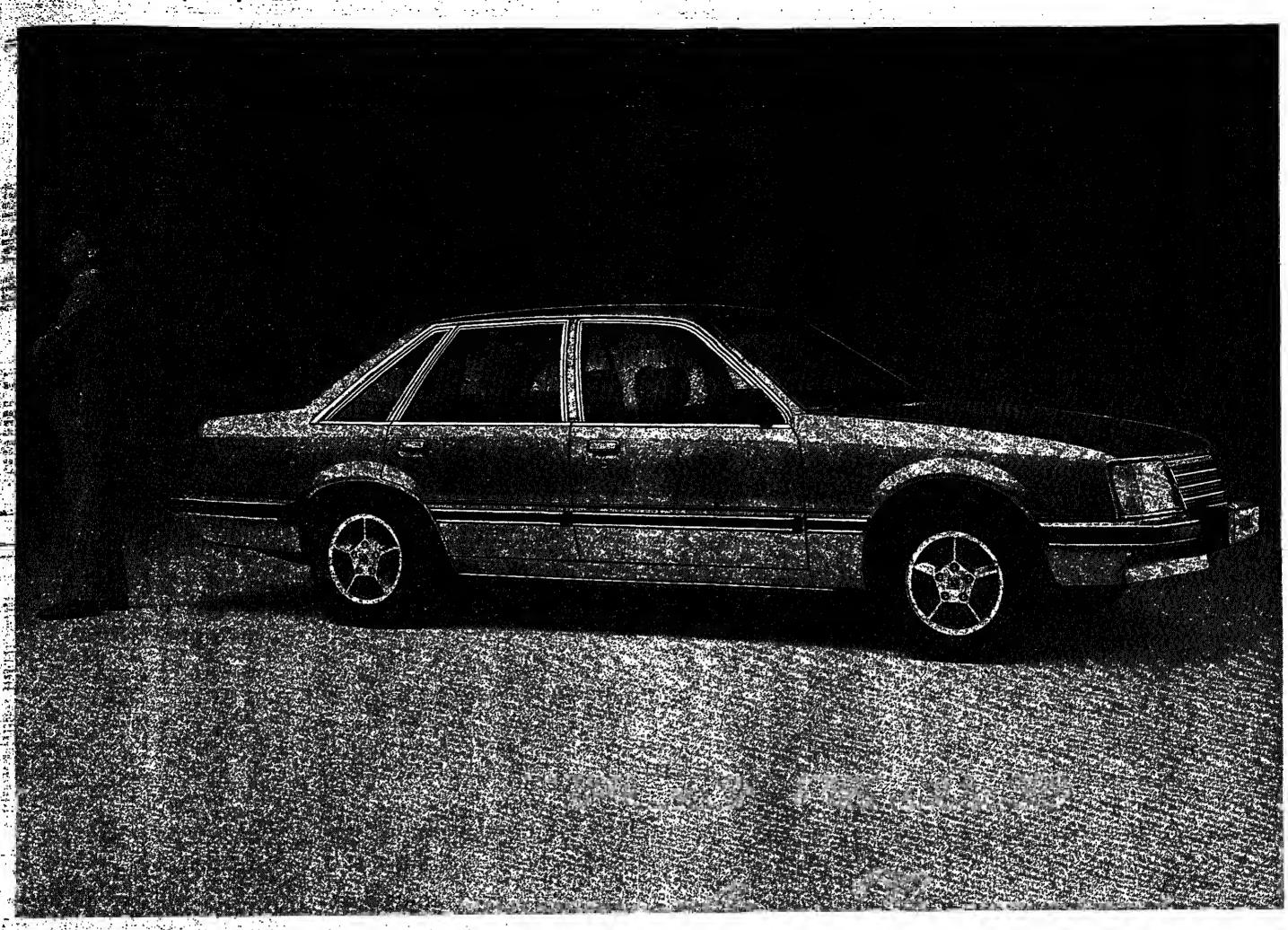
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CLUBS







These days, car salesmen offer you the options list the way waiters offer you the à la Carte.

MANE CON

PARIS

NOTICE

Leaving you to choose the fixtures and fittings according to your pocket.

A state of affairs which we find lamentable.

Hence, the appointments, generally found on the options lists of other cars, are already present in the Royale. For example, automatic transmission is standard. (You can have manual, if you prefer, at no additional cost.)

Nor is the car required to embrace a variety of humbler engines.

Only one is offered: a 2.8 litre 6-cylinder unit that accelerates the Royale to a top speed of 115 mph."

Inside, the furnishings are such that even the most critical of travellers will find little to carp at.

The seats are covered in crushed velour with head

restraints at the rear as well as the front.

You can even adjust the driver's seat for height, as well as for reach and rake.

Additionally, the steering wheel can be tilted and the steering is powered.

Those interested in the smaller details will find

central locking for the doors, an electronic boot release, a sliding steel sunroof and radio/stereo cassette player.

While outside are double-skinned metallic paint, alloy wheels and a headlamp wash/wipe system.

In fact, the Royale's specification is so complete that the only option offered is air conditioning.

Your Vauxhall dealer will be glad to demonstrate these virtues to you.

And you'll find he hasn't the slightest inhibition about extolling the car's remarkable value. SALEDTA CO.T. COMPÉ CIONGO PRICES, CORNECT AT TRAC OF GOME TO PRESS.

HANDLING

Lifting and shifting containers

A SELF-ERECTING container gantry crane which it is claimed could be installed at any port by Sea Containers Atlantic.

crane bas lower wheel loadings than any machine of comparable straddle size and capacity and because of this it can be installed on exist- quayside. ing general cargo quays without civil engineering work normally driver's cab and three moveassociated with gantry cranes. It is self-erecting, requiring only a minimum amount of equipment during assembly which takes about a month from delivery on site.

The self-erecting capability is based on a system of pin jointing, which eliminates the need for welding during assembly and enables the crane to be transported in manageable parts. Erection gear is provided by reach, and load and discharge Sea Containers as a con-container sbips carrying 12 rows tainerised kit and the company's of containers across their beam own engineers supervisa the at a rate of 33 boxes an hour.

rails and a backreach of 35 ft., available for leasing.

side area for stacking and loading land-based transport. This in the world and is capable of dual purpose role makes the servicing the largest container SAMBA a fully integrated con-ships affoat bas been designed tainer bandling machine, claims Sea Containers, thus dispensing The company says the 408-ton with the need for back-up bandling equipment such fork-lift straddle carriers, fork-lift trucks and side loaders on the Main crane movements are

the crane covers a large quay-

need for the costly major controlled from a high level ments can be made simultaneously to give an average hourly handling rate of 33 boxes. To facilitate turn-round of vessels, control of crane movement along the quay can be effected from any of three telepbone-linked

stations.

Called the SAMBA, the crane will handle fully loaded 40 ft. ISO containers at 115 ft. outerection process.

It was built at Morris Cranes,
With a span of 100 ft. between Loughborough, and is now

INSTRUMENTS

Aids calibration

ments used in atmospheric The main appeal of the Spectra-pollution monitoring and con- Seal approach is that it protrol, BOC Special Gases, Morden, vides scientists with long-term Surrey, bas formulated new, stability at concentrations down reactive gas mixtures to fract the Spectra-Seal trade million.

nitric oxide, nitrogen dioxide or hydrogen sulphide has always been a problem. Any variation tion of low concentration in the concentration of a single reactive gas mixtures. component can render a control or analysis process which is repeated over an extended period, completely invalid. It which include high specification is this problem that the Spectragases, helium, gaseous Seal range of stable reactive gas

over the last four years to meet U.S. National Bureau of Standards' requirements, the formulators of the range bave 01-560 5166.

TO PROVIDE the degree of included water vapour, sulphur stability necessary for the dioxide, nitric oxide, nitrogen accurate calibration of instruto fractions of one part per

Treatment of the internal Lack of stability in low con- walls of the aluminium centrations of gas mixtures cylinders used to produce a containing carbon monoxide, non-reactive surface, is the key to the Spectra-Seal system. It has made possible the produc-

This latest addition to the BOC Special Gases range com-plements its existing products helium, gaseous chemicals, gas control systems, instrumentation, stable isotopes Using technology developed and consultancy services.

• AGRICULTURE

storage of seeds

A "BANK" for vegetable seeds is to be established at the National Vegetable Research Station, Wellesbourne, Warwick, whose aim is to store on a long-term basis a aeed collection of genetic material from different parts of the world.

Because such basic breeding stocks are essential to the food supply of the UK and other countries in the coming years, the venture bas been initiated by OXFAM which has guaranteed the essential capital and running costs for the first seven years by setting up a special

Building work has started and the project will eventually provide for the long-term storage of seed of at least 12,000 different vegetabla varieties in a cold room run at -20 degrees C.

Although there are ancillary features—one beated glasshouse and two cold—for the regeneration of seed of temperate vegetable crops, seed of tropical vegetables will only be stored at Wellesbourne.

Further information from Dr. G. F. Forster, National Vegetable Research Station, Wellesbourne, Warwick CV 35 9EF (0789 840382).

Making hay while the sun shines

A METHOD of drying hay and other crops, by means of a hot-air solar system, has been developed in Israel.

Over a dozen farm settlements are using a massive solar collector roof system consisting double-layered thin-walled polycarbonate sheets stretched five inches above some 1,300 square metres of beat-absorbing black panels. The air trapped inside reaches temperatures of 30-40 degrees F above that of the outside air and it is then circulated by blowers which can move 100,000 cubic feet per

Applications for the system ls seen in drying peppers and spices, for iostance, on a vast industrial scale at a cost far below that of conventional systems using fossil fuels. It was designed by Helioset Advanced BOC, Great West House, Technical Engineers and the POB 39. Great West Road, sheeting is produced by the Q Brentford, Middx. TWS 9DQ. Company of 62. Hamasger St., Technical Engineers and the Tel Aviv, Israel.

Provides data about data

ceeded in a low key, it nevertheless now has 70 users who, puterised information system for in the form of the ICL Data the data processing department Management User Group, are in which the idea is to produce basis of their great enthusiasm for the product.

from the correction of program. baing provided—accounting ming to the addition of applica-production control and so on. tions and even the complete replacement of the computer by another type. A typical example is when an attempt is made to integrate say, invoicing on an such as the weight of a part); existing system, with stock relationship (some kind of concontrol—the two groups of nection between two entities); people involved may not even operation (something which be calling the data components of the system by the same name and may, in any case, want to look at the same piece of data

from a different standpoint. figures which indicate that by software, allows interrelations 1990, the hardware costs of a to be identified. At the same

soon to publish their experiences what might be called a commainly, it is understood, on the monality of data description. A conclusion arrived at by ICL is that the information needs of DDS stems from the problem the DP department are certainly of bow to manage change in a no less than those of departdata processing system, ranging ments for which systems are

conceptual headings: entity operation (something which alters the value of the above); and event, something which can trigger one or more operations. Not only does this result in data in an organisation being referred to in a universal way. It all costs money in terms referred to in a universal way, of anothware staff; ICL quotes it also, by means of the DDS

ALTHOUGH ICL first developed data processing department will time, standard documentation its Data Dictionary System be a mere 10 per cent of the results—one set that everyone (DDS) in 1977 and has prototal. in a DP department uses.

Thus, the totality of the pro-In essence, DDS is a com-

cedures, processes, facts and other information involved, whether DP or business oriented, can be detailed. The organisation can then create, maintain and analyse a pool of data about the contents of the data processing system and the business system it models. Having assembled this database, the analyst/programmer can then interrogate/change it at will from a terminal, revealing Everything about the system the problems. and the business for which it is

Data Dictionary System is built is entered under the five available from BOC Datasolve as part of its ICL 2900 VME/B service. This bureau considers it to be of particular value when conversion is being undertaken from one computer type to another and points out that any manufacturer'a machines can be tackled.

ICL is at Putney, London (W15 1SW (01-788 7272) and BOC Datasolve at 99 Staines Road West, Sunbury on Thames, Middlesex (Sunbury 85566).

• IN THE OFFICE

Word processing and business package

grammable, essentially multi-terminal system with ability to communicate with mainframe computers, accept OCR input. provide telex tape ontput and

By contrast the 150 is essentially a stand alone machine with another built in and can Terminal hardware orginates 14 Cockspur Street, Lonfon be supplied with two VDUs or in the U.S. and makes use of SWIY 5BL (01-930 1323).

AFTER entering the word processing market in 1978 with its inch floppy discs installed adjamodel 80, a VDU/floppy disc cent to the screen instead of
machine, Monotype Communications has decided to make a and uses a Diablo printer able
to meet additional requirements. In each terminal, two

Idea of the two-screen Field-proven word processing arrangement is to be able to software and a range of bus use two operators to work a word processing and a business including stock control, costing, data processing terminal at the personnel records, payroli, insame time, with, it is said, no voicing and several others. mutual interference.

somewhat less systems-oriented to work at 40 characters/sec. double-density, double-sided offering with the model 150, at With two acreens the price is rather lower effective prices. - just under £12,000, or £7,500 equivalent of about 572,000. The model 80 was a user prowith one. Field-proven word processing

ness packages are provided,

More from the company at

and PET will also process words

OVER 15,000 PET computers bardware to accommodate the bave been sold in the UK since the launch of this microcomputer in 1978.

Selling is now at a rate of 1,000 units per month in Britain and many independent software suppliers have developed and marketed Commodore-endorsed PET software.

One of the newest software packages made available covers word processing. Specifically designed for use with the 16K includes the necessary ROM would still cost less than £1,000.

£7m task in

Abu Dhabi

CONTRACTING AND TRAD-ING CO. of Lebanon has been awarded a contract for

additional work worth just over

£7.2m at the Field Engineers

Regiment camp at the Sheik Zayed cantonment in Sweihan,

Abu Dbabi. The contract is for

the UAE Armed Forces, and

the consultants for the project

are the H.Q. Engineering Corps.

Contracting and Trading Co.

construction com-

of the Lebanon is the parent company of Mothercat, a British

Work starts in February.

program functions. This package can be installed on the PET with a minimum of fuss, in conjunction with Commodore's 2040 dual drive floppy disc unit it gives the user a capability to process

more than 300 pages of text. Combined with a compatible printer, the equipment becomes a powerful computer-word processor system for under £2,600. For applications requiring a and 32K "blg keyboard" versions of PET, WordPro II is unsual for as well as floppy discusual for as well as floppy discussed software, the package also matrix printer, but, as such,

In operation, WordPro II follows conventional wordprocessor practice. The text is entered, using the typewritersized keyhoard, the screen acting as a "window" to display a working text area of 24 lines. As the text is processed, it can be moved either np or down the screen thereby bringing fresh text into the window. A "status line" at the top of the screen ensures that the operator is always fully aware of the cursor position as line editing is carried out.

360, Euston Road, London, attached by one means or NWI. Tel: 01-388 5702.

ft of warebousing and offices

At the beginning of March

CONSTRUCTION

Supply of design systems

APPLIED RESEARCH of Cambridge has won a contract with the Kuwait Prefabricated Building Company for the supply of computer-based building design systems to help the Kuwaitis develop large building programmes in Kuwait.

The contract is to develop and provide an extanded version of ARC's Building Design Systems BDS, and is valued at £87.000. Kuwait Prefabricated Build-

ing Company, partly owned by the Kuwalti Government specialises in pre-cast concrete building structures for housing schools and large social complexes. BIS is now up and running on the Kuwait company's DEC PDP11/70 computer enhancement of the BDS soft 65015. installed in its central offices, hospitals.

Norgren **B38** Instrument Filter-Regulators specially designed for the Process and Petrochemical industries. WE NOTHER LID

ware to cope with local building regulations, measurements and This is an integrated compufer system covering all aspects of building design, take ing over rontine procedures and costing. It is suitable for a wide range of applications especially those which utilise a large amount of standard components in their design; for example, office blocks, major industrial building schemes. educational establishments and

The capsule is only 41 mches

long and the casing is of heav

duty PVC with nylon and hi

tings. Any rodding connection

can be fitted to order, the ase

Locates deep-down pipes

of 20 hours.

ABLE TO detect pipes that are the company's J1078. Under buried to a depth of 14 feet, ground position is indicated by the J579 deep tracing escillator a meter deflection and an from Sharetree of Stroud can andible signal in the operator. be used in pipes in confunction headphones. with a commercial rodding The capsu system to allow sharply curved routes to be traced from ground

This 2 inch_diameter capsule. emits a 91.5 kHz signal and is either supplying or specifying able to negotiate features such the required connection. Prover as trap gullies; its emission can is from a PP3 nine-volt battery not be confused with that from fitted internally, giving a life

Progress of the device can More from 70, Westward be followed on the surface with Road, Stroud, Glos., GLO 41A

any suitable receiver such as (04586 2006).

MATERIALS

Makes a better filter

FILTRATION IS one of the major processes in modern in the development of such technology and, probably, one material which started at the of the areas in which much progress remains to be made. National Research Develop-

ment Corporation, recognising this as one of the problem areas, bas invested about £100,000 in a joint venture project with Charcoal Cloth, of Wimborne, Dorset, aimed at developing and making a charcoal cloth which combines filtration characteristics much superior to comparable materials, with a resistant base.

By definition, charcoal cloth is made of 100 per cent activated. charcoal fibre in the form of a woven cloth. It bas an adsorptive capacity many times greater than that of filaments to which Commodore Business Machines charcoal granules have been another.

Many disciplines are involved. establishment.

The process is now integrated and continuous, starting with a woven cloth made from cello lose fibres and ending with a charcoal cloth of high flexibility and having good tensile strength. Pre-treatment gives a good process yield and the final product has an enormous internal surface/area ratio. In many applications, to

achieve a given degree of protection requires between five and ten times less charcoal cloth than the commonly employed nut shell charcoal. NRDC, Kingsgate House, 66,

Victoria Street, London SWIE

Building and Givil Engineering

Trollope & Colls wins £8.4m

CONSTRUCTION OF a new head offica in Colchester for the Royal London Mutual Insurance Society has been awarded to Trollope and Colis which says the £8.4m contract covers work for the building of the superstructure and finishings (sub-structure and neighbouring multi-storey car park already baving heen completed

under a aeparate contract). The new building will be on the Middleborough island site which is near to the ring road system currently under construction. Offices will be linked with the multi-storey car park by an enclosed footbridge over

Today's

Designed by architect Crulckshank and Seward on a site immediately outside the Roman wall of "old" Colchester, the perimet-building will harmonise with yarus. the surrounding architecture, are Mott, Hay and Anderson. using rustic bricks, hand-made roofing tiles and traditional leadwork as the external finishing materials.

It will be arranged around the courtyards, and tiled roofs are to be at varying levels up to a beight of five floors with octagonal stairtowers at intervals around the plan.

Office space of 14,000 square feet will be provided, plus three Finally, the setting of the Gronp.

Industrial Buildings

Bell & Webster manufacture a wide range of industrial frame buildings.

construction time, offers the builder and the industrial user a custom built

The simplicity and cost effectiveness of this proven system cuts

product and meets a wide range of budgetary requirements.

Get the facts about the complete range from

building will be enhanced, says the company, by attractiva landboth around tha -perimeter and within the court-Consulting engineers

£2.4m road

A CONTRACT worth £2.4m has been awarded to Roadworks (1952) for the construction of Beccles Bypass on the Norfolk/ Suffolk border.

The company is the civil engipassenger lifts and a goods lift, neering arm of the Jackson

To build more homes

BULK of the work under £5.8m worth of new awards to Sir Alfred McAlpine and Sons (Northern) is a £4.8m task to build 320 homes in the Birchwood District of Warrington

New Town. For ICI (Mond.) at Northwich. Cheshire, a 976 square metres prefabricated laboratory ia to be set up at a cost of £684,000. Not far away, at Kirkby, near Liverpool, Kodak is to bave an extension to its solution-making to cost around

£1½m worth to Tilbury

THREE contracts awarded to Tilbury Construction are to-gether worth over £1 m. Largest s worth £665,500 and is for an all weather athletics track at the Pittville Stadium for Cheltenbam Borough Council. The contract also calls for the forma-tion of surrounding embankments and the provision of Final surfacing of the track will be carried out by En-Tout-Cas under a separate order. Sbeffiald Insulations

placed a £540.000 order for a The study involved an examiwarebouse and office develop-ment in West Bromwich and nation into the viability of communally owned cattle ranches as a means of increasing Percy Bilton bas awarded Tilbury a £377,000 contract for a beef production. Three selected bridge, road extension and sites were studied, involving the river works at the former's technical appraisal of the sites industrial development Uxbridge, Middlesex. in and their planned development Detailed feasibility studies,

£44m awards to Warings

FOUR CONTRACTS, totalling The next largest award is about £4½m, are being under-taken by Warings (Contractors) worth £1.35m, is for \$8,000 sq. of Portsmonth.

Work has started on the at Guildford, Surrey. Architects largest, worth £1.8m. This is are D. S. Tucker and Partners. for a supermarket shell, block of nine sbops, a petrol station, work is to be started on a public bouse and squash courts £700,000 contract from New at Canford Heath, near Poole, England (Basingstoke) for in the contract which is being undertaken for International Stores and Bass Wales and

Dorset. Car parking, service eight factory units at Basing-roads and yards are included stoke, Hants. In the meantime work has begun on a new pottery and warehouses at Denmead near Waterlooville, Hants, West. Architects are James A. for Denmead Potteries. This is

£2.97m won by Lovell

under £3m worth of new busi-ness to Lovell group companies station, extending ring main under £3m worth of new busiis the £1.3m award to Y. J. 11 kV circuits and the upgrad-Lovell (Southern) for an office ing of existing laboratories. and shop block on the site of Additionally, the company a former NCP car park in has a contract for £207,390 for Kingston on Thames, near London.

Four storeys of structures puter block. will provide 31,000 square feet of new shop and office accom-

Architect is Fitzroy Robinson and Partners and quantity surveyor Gardiner and Theobald. The same associate company is to build £919,900 worth of electrical plant for IBM at the latter's Hursley research centre near Winchester in southern

LEAD CONTRACT in just England. The work includes tha the construction of the foundations for a proposed new com-

For its part, Lovell Housing has won another contract at the Daie army camp, Chester, where it already is involved in a £3.2m operation for the Property Services Agency. The new contract covers the provision of £528,902 worth NAAFI buildings, with clinic, exchange stores and community

Gas plant and store

EXTENSION work at the British Gas Corporation's St. New sales floor and plant Fergus North Sea gas terminal work goes hand in band with near Peterbead in Scotland will improved means of access and bring in £1.8m for John Laing a new shopfront, Construction.

The laying of 12,000 feet of the company is to rebuild some new plpework is involved 35 filtration units under a together with connections to £7.6m scheme to modernise a installations on an adjacent section of the sewage treatment. site, extensions to existing pipe-

bas begun on refurbishing part the company will provide one of the Littlewoods store at The kilometre of 1400mm pre-

plant for the Bradford area. The ork etc.

Laing share in this work is put
Down south in Bristol, work at £4m. Apart from the filters,

New sales floor and plant work goes hand in band with

Cattle ranch study

JUST completed by Hunting covering Technical Services is a beef economic and financial aspects rugby pitches and a car park, cattle ranching development study in Papua New Guinea for the Department of Primary Industries, financed by the European Development Fund.

32,200 hectares (80,500

social. were also carried out and proposals for development and management at each ranch site were made. The three sites covered a total

acres), mainly in grassland. Comprehensive countryside studies have already been carried out by the company in the and Mosul. Sudan, Iraq, PDR Yemen, Somalia, Iran, Indonesia and Sierra Leone, resulting in substantial investment in livestock development

New offices in London

EIGHT storeys of office premises are to be built by Costain for St. Martin's Property Investments under a £4.4m contract. This block is to be set up on piled foundations and will have aluminium and granite cladding. The site is in Hammer-

Work has started and is due for completion in mid-1981. The architect for this project is R. Seifert and Partners and the structural engineer Pell Frischmann and Partners.

Work in Cornwall

THROUGH its division based in Redruth, Cornwall, Isis Construction bas won £21m worth of new projects including efficient and water treatment plant and new factories. At the St. Austell and Wendron centres, work will take 90 and 78 weeks respectively to

complete. An extension to the Fred Rees (Helston) factory will represent the 16th factory unit for the Dol'a English Industrial Estates Corporation.

Bridges and barriers

MORE THAN 11m worth of work is to be carried out by Southarn Counties Construction for railway bridges, motorway fencing and crash barriers in the London area.

Fences and crash barriers on the M25 and A13 in Essex will add up to about £600,000. John Laing and Wimpey have also placed a further £390,000 worth of fencing and barrier

Cladding for Iraq

WORTH over £1m and won in the face of flerce Continental competition, a contract to the cladding department of the Rolled Products Division of Tha British Aluminium Company is for Iraq.

Negotiated with Nationale Staal En Aluminiumindustrie BV of Rheden, Holland, it is for the supply of aluminium cladding and all accessories for warehouses at Baghdad, Basrah

The contract continues throughout 1980 and involves over 700 tonnes of Rigidal sheeting. The warehouses will be erected from April 1980.

CRENDON The right way to build **FACTORIES OFFICES** & WAREHOUSES CRENDON CONCRETE CO. LTD

Long Crandon Bucks.

Tet: 208481.

Wates to refurbish offices

INTENDED mainly to provide major refurbishment to offices in London, a series of three new awards to Wates Special Works add up to just under £14m. Largest is conversion of offices for Japan's Sumitomo Group in London's Cheapside to cost

around £800,000. In the Minorles, also in London, £200,000 is to spent on improvements to offices for Usborne and Sons (London) For the Camberwell Greve Estate, the replacement of 243 windows will cost £152,000

Improving access

CONSTRUCTION of 15. kilometres of the A9 road between Kingussie and Avienore has gone to William Tawse under a fem contract awarded by the Highland Regional Authority of Scotland.

Five reinforced bridges will be included in the work, which will start in March and take 2) years to finish.

This is the fourth major section of the A9 to be built

STRAN Builder Franchises

steel building systems, are pre-engineered building system apply to:

National Steef Products Company, manufacturers of the Stran Builderships throughout

setting up a new network of Stran. Quonset and related; the United Kangdom and Eire Interested Contractors who have a design and build capability and experience on David Love, Director of Marketing, National Steel Products Company, No. 2, Front Street. Acomb. York YOZ 387

Bell & Webster Ltd An Eleco Holdings Correpany &

Belcon House, Essex Road, Hoddesdon, Herts EN11 ODR. Telephone: (61) 67141

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Paul Betts reports on the shifting fortunes of the troubled Italian tyre and cables giant; he discovers top level management moves, a massive injection of new finance, and further changes in its relationship with Dunlop

A restructured Pirelli tries to bounce back

BY THE end of this month, preliit the Ralian partner in the Dunlop-Pirelli union which was formed nearly a decade ago, will have completely moved outof Milan, to more modest headmarters near the central park.
In many respects, it marks the
and of an era. The skyscraper,
built just over 20 years ago,
was one of the most eloquent symbols of the Italian economic miracle of the 50s and 60s—or as Italians prefer to call it: "The years of the boom." For Pirelli, the country's second largest private enterprise after the giant Fiat car manufacturing onglomerate in neighbouring Turin, the skyscraper repre-sented a status symbol of its industrial and financial power

But the change in conomic fortunes of the Italian tyre and cables group—as indeed in those of the country at large has now led to the sale of the famous building, for some IA3bn (£23.4m), to the Lombardy Regional Authority. The purpose was to raise badly needed funds to ease the financial problems of Pirelli's Italian

major financial and industrial in Italy and abroad. recovery programme. This will Pirelli's worldwide interests inevitably bave implications on are controlled by two separate the Dunlop-Pirelli union as a parents: the Italian holding

Begins to crystallise

talian group since its origins in the 19th century, to give up the also sit on a newly constituted day-to-day management of Indus-executive committee which will Italian manufacturing company union, employing 30,000 people in Italy and with a turnover last year of about LI,000bn

Mr. Pirelli has been replaced chairman of Industrie

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forced to sell. Leopoido Pirelli has been forced to sell. Leopoido Pirelli (right) is to take charge of Pirelli's overall strategy as deputy chairman of Societe Internationale Pireill. The new chairman of Industrie Pirelli is Filiberto Pittini (far right)

operations. will shortly leave, Mr. Pittini Significantly too, the move says that the new top into new offices coincides with management structure is largely sweeping changes in the top aimed at giving Mr. Pirelli the management structure of the time to take fuller charge of Italian group, combined with a Pirelli's overall strategy, both

> company Pirelli Spa, which oversees Pirelli's main Italian and European interests, and the Basie-based Societe Internationale Pirelli (SIP) which controls the group's overseas

The most striking change, on To formalise and rationalise the surface at least, is the description of Leopoldo Pirelli, added the deputy chairmanship inose family has controlled the of SIP to his chairmanship of the Italian holding. He will trie Pirelli. This is the main look after the overall affairs of the group. Its other two members are Mr. Pittini and Emannele Dubini, the deputy chairman of Pirelli Spa.

In Italy, the management in three main divisions, includ-changes reflect a particularly ing tyres, cables and diversified fundamental re-organisation of Pirelli by Filiberto Pittini, who the group's industrial structure. has been with the group since. According to Mr. Pittini. Pirelli 1948. From his office on the has been promoting this process top floor of the skyscraper he for some years, and it is now



beginning to crystallise. It is aimed largely at splitting up and decentralising the group's different manufacturing divi- responsible for Industrie Pirelli's sions into separate autonomous series of losses over the past units, giving Pirelli a more seven years. In 1978, the tyre rational composition.

It follows, in a sense, the model of Fiat's recently completed industrial re-organisation: which has seen the setting up of 11 separate manufacturing companies specialising in their respective fields under the umbrella of one bolding. In the case of Pirelli, which operates products, a major step in this direction has just been taken by the decision to hive off Industrie Pirelli'a tyre operations into a separate company.

group's single biggest headache. absenteeism, lessen lahour fric-The tyre losses have been largely tion, and generally boost output division showed a loss of L30hn, and is expected to show a further, if somewhat reduced, deficit for last year.

The losses are the result of combination of external and internal factors. These include the overcapacity in the world tyre industry, dramatic increases in raw material prices at a time of reduced profit margins, and inadequate productivity levels work out a solution to the speci-in Italy. Productivity. Mr. fic problems of the troubled sec-Pittini says, remained unsatisfactory despite Pirelli's arduous into profit within the next two 7.5 per cent on top of the Dunlop appear to be adopting attempts over the past five years or three years. To this end, nominal L40bn. Eighteen Italian towards their respective industo reach agreement with the Pirelli is currently putting to-banks will further convert some trial and financial problems.

These represent the Italian Italian trade unions to reduce gether a major financial reper man.

Moreover, Pirelli has also had to find the necessary financial L173hn. resources to activate, since the middle of the 1970s, a series of revised recovery plans for its Italian operations, coupled with ambitious investment pro-grammes abroad. All this has dehts with crippling annual in-terest charges.

The decision to separate the tyre division is an attempt to work out a solution to the specitor in order to bring it back

covery package involving a two stage funding operation, which will increase Industrie Pirelli's share cepital by L65hn to

The Italian parent, Pirelli Spa, will contribute by drawing from its reserves Lire 25bn, while a consortium of Italian banks, led by the Milan Mediohanca special credit institute. led to the accumulation of huge subscribes L40bn in exchange for a 23 per cent stake in Industrie Pirelli.

After five years, bowever, Pirelli Spa. the parent, will buy back this 23 per cent stake, paying the banks accumulated interest at a fixed annual rate of

debt into the medium term to reduce the company's heavy debt interest burden.

Rehind Pirelli's latest financial recovery programme is the figure of Sig. Enrico Cuccia, the chief executive of Mediobanca, who bas been a protagonist in the recent series of operations which have seen the Italian hanking system coming to the rescue of troubled enterprises. It was also Mr. Cuccia who played a key role in the negotiations which led to the Dunlnp-Pirelli union in 1971.

Pirelli's decision to huy back the 23 per cent stake of the hanking consortium, Mr. Pittini explained, was largely designed to protect the Italian group's long-term interests by prevent-ing the eventual sale by the banks of large blocks of their shareholding interests in Indus-trie Pirelli. It also reflected, Mr. Pittini claimed, Pirelli's retreat by the Italian group from this business.

This commitment to tyres appears to he backed up by the agreement with Duniop that the Italian group ahould regain complete management majority financial control this month over its UK tyre manutrituring subsidiary, Pirelli Limited. Since the 1971 union, it had been under the partial control of Dunlop which took a 51 per cent stake in it. Dun-lop's stake in the UK company has now dropped to around 40 per cent following a £4m capital increase, of which Pirelli subscribed £3m and Dunlop £1m.

In Italy, Industrie Pirelli's new capital reconstruction will also see Dunlop's share in the Italian manufacturing company further reduced. At the start of the union, Dunlop's stake totalled 49 per cent. It was subsequently cut back to 30.4 per cent following Dunlop's decision in 1975 not to subscribe to an Industrie Pirelli capital operation. It drops to 19 per cent.

What seems to emerge from this intricate tangle of changing shareholding interests is the differing strategies Pirelli and

While continuing to expand its cable manufacturing activities particularly abroad, Pirelli appears intent on pumping con-siderable resources into the recovery and rationalisation of its tyre division. This is ulti-mately designed to strengthen the tyre division by improving productivity of existing plants rather than investing in new ones. In Dunlop's case, the recovery of tyre operations also has top priority, but it bas a broader range of other businesses on which to concentrate

Unhappy marriage

As for the tyre union, it was never a very happy marriage. With the exception of collaboration in research and development, the original concept never commitment in its traditional envisaged a particularly close tyre operations, thus mollifying integration of commercial and fears of any eventual strategic production functions between the two partners. It was to a large degree a financial arrangement, a marriage which soon after it was consummated came under strain as Industrie Pirelli's financial problems deteriorated.

As Leopoldo Pirelli once remarked, referring to Industrie Pirelli's problems soon after the agreement with Dunlop in 1971: The hride had to be taken to day of the honeymoon." But if the bride is still struggling to get hack on ber feet, the groom is now also ill.

In a sense, Pirelli's Dunlop's problems in the troubled eventually lead to a general reappraisal of the logic of the to be broad consensus on the need for rationalisation in the European tyre industry as a

In a recent Italian newspape interview, Mr. Pirelli said that the problems facing all tyre manufacturers in Europe madrationalisation all the more vital. "Only in this way can we hope to see the recovery of Dunlop's and Pirelli's tyre divisions in a market where overcapacity bas unleashed a

TENDERS MUST BE LODGED NOT LATER THAN 10.00 A.M. ON VEDNESDAY, 23RD JANUARY 1880 AT THE BANK OF ENGLAND, NEW ISSUES (T), WATLING STREET, LONDON, ECAM SAA OR NOT LATER THAN 3.30 P.M. ON TUESDAY, 22ND JANUARY 1980. AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND, TENDERS MUST BE IN SEALED ENVELOPES MARKED "TREASURY TENDER".

.

ISSUED BY TENDER OF £1,000,000,000 123 per cent. TREASURY STOCK, 2003-2005 MINIMUM TENDER PRICE 191.50 PER CENT.

PAYABLE AS FOLLOWS

Deposit with tender £25.00 per cent . . .

On Friday, 15th February 1980 £45.00 per cent Balance of purchase money On Friday, 14th March 1980

INTEREST PAYABLE HALF-YEARLY ON 21st MAY AND 21st NOVEMBER

This Stack is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stack to be admitted to the Official List. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are Juthoriced to

The curricipal of and interest on the Stock will be a charge on the National Loons Fund, with recourse to the Consolidated Fund of the United Kingdom. If not craviously redeemed, the Stock will be rapeid at par on 21st November 2005, but Her Majesty's Treasury reserve to themselves the right to redeem the Stock, in whole or in part, by drawings or otherwise, at par on or of any time allow 21ot November, 2003 on giving not less than three months' notice in the london Generica.

The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfact, and will be transferable, in multiples of one new penny, by instrument to writing in accordance with the Stock Transfer Act 1963. Transfers will be free

Interest will be psychio half-yearly on 21st May and 21st November. Income tax will be deducted from payments of more than £5 per onnum. Interest worrents will be transmitted by poot. The first payment will be made on 21st May 1980 or the rets of £3.2776 per £100 of the Stock.

Tendem must be lodged not later than 10.00 a.m. on Wednesday, 23rd January 1930 at the Bonk of England, New Isaues (T), Watling Street, London, ECAM 9AA or not later than 3.30 p.m. on Tuesday, 22nd January 1930 at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England. Each tender must be for one amount and ut one price. The minimum price, below which tenders will not be accepted, is £31.50 per cont. Tendem must be made at the minimum price or at higher prices which are multiples of 25p. Tandem lodged without a price being stated will be deemed to have been made ut the minimum price.

A separate phegus representing a deposit of £25.00 per cent of the nominal amount tendered for must accompany each tender; cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isla of Main. Tenders must be in seeled anvelopes marked "Tressury Tender". Tenders must be for a minimum of £100 Stock and for multiples of Stock as

Amount of Stock landered for £700—£2,000 £2,000—£5,000 £5,000 -£20,000 £5,000 £20,000--£100,000

£10,000 Har Majacky'o Treasury reserve the right to mject any tender or to eller a loss emount than that tendered for. Il undercubscribed, the Stock will be allotted at the minimum price, the belence of Stock not tendered for being allotted at the minimum price to the Governor and Company of the Benk of England, Issue the minimum price to the Governor and Company of the Benk of England, Issue Cepartment. Il oversuboctibed, all allotments will be made at the lowest price at which any tender is accepted (the ollotment price), and tenders at prices above the allotment price will be slictted in full.

above the allotment prico will be allotted in full.

Lettern of allotment in respect of Stock atlotted will be despetched by post at the risk of the tenderer. No allotment will be made for a less amount then £100 Stock. In the avant of pertial allotment, the belance of the amount paid as deposit will be relumned by cheque despetched by post at the risk of the deposit will be relumned to one unit paid as deposit will be relumned included. Payment in full may be made of any time after elliptiment but no discount will be allowed on such payment. Default in the payment of any inocalment by its due dote will render the deposit and any instalment previously paid liable to forforture and the allotment to cancellation.

Letters of allotment may be split into denominations of multiples of £100 on written request meeting by the Benk of England. New lessue, Watling Street, written request meeting by the Benk of England. New lessue, Watling Street, London, EC4M BAA, or by any of the Branches of the Benk of England, on any date not ister then 12th March 1980. Such requests must be algorized must be accompanied by the lettern of siletment (but a letter cannot be split if any lessuement payment is overdue).

Latters of allotment must be surmedored for registration; accompanied by a completed registration form, when the belence of the purchase money is paid, unless payment is full bas been made before the due date, in which case they must be surrendered for registration not later than 14th March 1980. Until the close of business on 16th April 1960 Stock issued in accordance with this prospectus will be known as 12½ per cent Treasury Stock, 2003-2005 "A": this prospectus will be known as 12½ per cent Treasury Stock, 2003-2005 "A" Stock will the last date for lodgment at the Bank of England of transfers of "A" Stock will the last date for lodgment at the Bank of England of transfers of "A" Stock will be paid separately be 14th April 1980. The interest due on 21st May 1980 will be paid separately be 14th April 1980. The interest due on 21st May 1980 will be paid separately on axisting heldings of 12½ per cent Treasury Stock, 2003-2005 and on heldings

The second of the second of

of "A" Stock; consequently, interest mandates or authorities for income tax exemption recorded in respect of suisting holdings will not be applied to the payment of interest due on 21st May 1980 on holdings of "A" Stock. From the opening of business on 17th April 1980 the "A" Stock will be amelgameted

Tendor forms and copies of this pro-pectus mov be obtained at the Pool of England, New Issues, Watting Street, London, ECAM 9AA, or the Baronchae of the Bank of England, or of the Glasgow Agency of the 5 1 the England; of the Bank of Ireland, P.O. Box 13. Conegsil Place, Bellica, RT: 55 at Mullons & Co., 15 Moorgate, London, EC2R BAN; or at any office of the Stock Exchange in the United Kingdom.

BANK OF ENGLAND

£100-£2,000

THE FORM MAY BE USED TENDER FORM

This form must be indused not later than 10.00 a.m. on Wednesday. 23rd January 1960 at the Bank of England, New Issues (T). Waving Street, London, EC4M SAA or not later than 3.30 p.m. on Tuesday, 22nd Jamuary 1960 at any of the Branches of the Bank of England or ut the Glasgow Agency of the Sank of England. Tenders must be in scaled envelopes marked "Treasury Tender".

· ISSUE BY TENDER OF £1,000,000,000

12½ per cent. TREASURY STOCK, 2003-2003

MINIMUM TENDER PRICE 19150 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

2100

I/Ws tender in accordance with the terms of the prospectus. January 1980 as follows: unt of Stock tendered for

£2,000—£5,000 E508 £5,000 F20 000 £1,000 £20,000---E100,000 €5,000 2100,000 or greater

£ TENDER PRICE (a)

AMOUNT OF STOCK

The price tendered per £100 Stock, being a multiple of 25p and not loss than the minimum tender price of £91.50:—

I/We haveby engago to pay the instalments as they shall become due on any itment that may be made in respect of this tender, so provided by the said

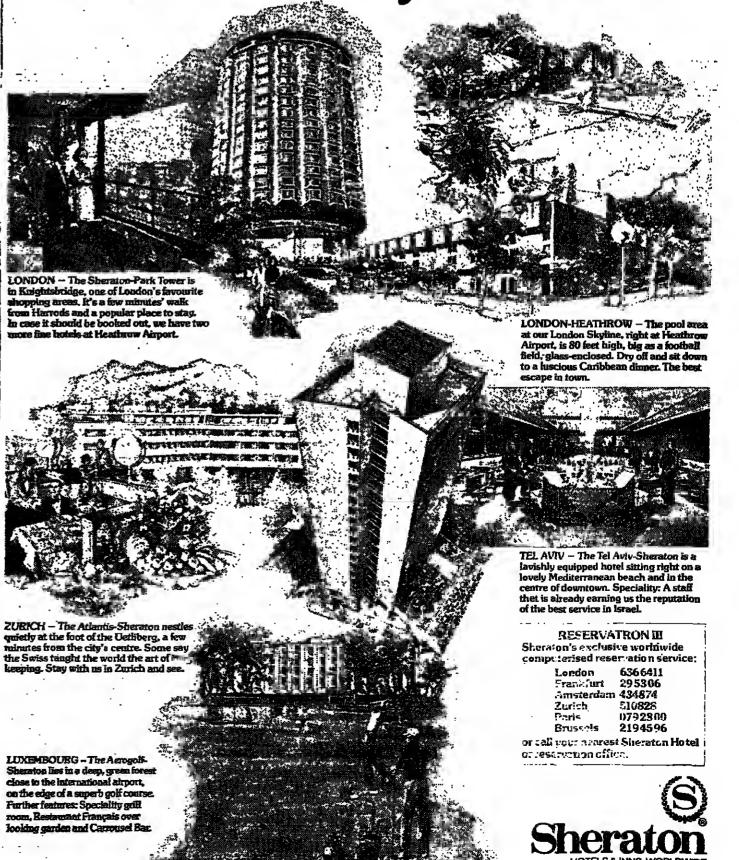
I/We request that any latter of allotment in tasport of Stock allotted t me/us be seed by pout at my/our nok to me/us at the address shown below ol, or on behall of, tendorer PLEASE USE BLOCK LETTERS

SURNAME OF TENGERER MR/MRS/MISS OR TITLE

The price tendered must be a multiple of 25p and not less than the minimum tender price. If no price is stated, this tender will be deemed to have been made ut the minimum tender price. Each tender must be for one amount and at one price. tender. Chaques should be made payable to "Bank of England" and crossed "Treasury Stock". Chaques must be dreum on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isje of Nam. A separate cheque must accompany estitement. Cheques should be made payable

Please also see Prospectus and Tender form for 13; per cent Exchaquer Stock, 1983 on Page 11.

Sheraton. The fastest-growing of the three luxury hotel chains.



BY SAMUEL BRITTAN

THE IRRITATING FEATURE 38 per cent of his gross income of the home mortgage problem in his first year, 14.7 per cent is that it has occurred hefore, io ten years time and 5.7 per remedies have been suggested cent in twenty years. and ignored; and the wbole dehate has to start all over inflation forces horrowers to re-Association bas rightly said that come down.

Cartel

ur

So far so good. But whet has preveoted competitive rates being charged up to now? The simple answer is "political intervention." But the present cartel, with national rates recommeoded by the Association, is e standing temptetion to politicians to intervece. If people put themselves in a position to ha raped, rape is likely to occur. The abolition of the cartel bas been recommended dozens of times in almost every independent economic report; but its existindependent ence suits politicians and the Association a bit too mucb.

But even that is only e beginning. For we heve the paradox that although oo any rational consideration of the sums paid to service a mortgage, bouse purchase is a hargaio hasement with oegative real interest rates for borrowers and almost guaranteed real cepital appreciation, costs still appear exorbitant to many prospective home partial or total indexation, owners and phone-in radio pro- although a less controversial grammes are loud with their

The paradox was explained by Professor Terry Burns, who io trated the position of e typical first-time huyer. He would pay first time borrower had to pay anti-social results.

This distortion occurs because The Building Societies pay at an accelerated rate, with the repayment disguised as inits members would be able to terest. The present mortgage tackla the mortgage queue if rate is 15 per cent; and let me they adopted more competitive understate my own argument by interest rates. This hes been assuming that the inflation rate interpreted to mean that comes down to 12 per ceot fairly nothing will be done at present, soon, and also by ignoring the but that mortgage rates will leg tax subsidy received by the behiod other interest rates when borrower. Of the 15 per cent, the cost of money begins to some 3 per cent at most would represent a real interest payment and 12 per cent early repayment of capital. As a result of infletion the greater pert of a 20-year loan is repaid very quickly and the long-term edvance is converted unwillingly

into a short loan. It would be sound finance for first time borrowers en masse to horrow to pay the excess burden of so-called interest payments in the eerly years. But there are no fecilities for the small man to do this; and there is a genuine risk if-but only if—inflation makes the course of en individual's real income more variable and more no-

Indexation

Last time the issue was acute oumerous proposals were de-vised for smoothing out home buyers' peyments so thet they were constant in real terms but rose in money terms and for various compromises between that and the present system. These schemes amounted to name was "low start mortgages."

Why then was nothing done? The enswer I auspect lies in the none other than the Govern- Friendly Society status of Buildment's present economic adviser, iog Societies. This hoth reduces the pressure to innovate and a letter to The Times, oo September 9, 1974, writtee jointly societies to tap the new sources with Prof. Harold Rose, illus- of funds which they might oeed to get new ideas off the ground,

The key to progress is to put 23 per cent of his net iocome in bome loans oo a normal profit-mortgage payments to start making basis. There may he with, but the proportion would scope for Government intervenbe down to 19 per ceot io 12 tion-for instance io insuring months and 16 per cent in two bome loans to small purchasers years, Mr. Anil Markyanda of In the early years—but certainly University College Illustrated a oot in preserving a distorted different case in a letter to the market which, for allegedly Financial Times in which the social reasons, produces highly

The responsibilities of a landowner

IF SOIL and loose rock descend rom property onto neighbouring land, independently of the inter-vention of any buman agency, can the owner of the property be made lishle for the damage caused to his neighbour's land? The answer that any first-year law atudent would give would he nnequivocally in the negative. But last July (only just now reported) the Court of Appeal in Leakey v. National Trust for Places of Historic or Natural Beauty held to the contrary, where the owner bad not taken all reasonable steps to prevent or minimise the risk

of damage.

As with so much of English law, the rule against imposing liability developed from a lead-ing case in 1868. There a mill owner employed independent contractors to construct a reservoir on his land to provide a watermill. In the coorse of the work, the contractors came on some old shafts and passages which communicated with the mines on the land of the millowner's neighbour. No one suspected that the shafts did link the two properties, for they appeared to be filled with earth. The contractors did not While the mill-owner was found not to have been negligent, he

liable for the damage. The House of Lords beld that

the person who, for his own in this way did not escape the an occupier must take reason-purpose, brings on to his land criticism of legal commentators, and collects and keeps there any. The most trenchant attack on the likely to do misshire if it. generally answereble for all the damege which is the natural abort, the landowner is answerable for the "non-natural use of his land.

The case did not directly decide what the legal position would bave been hed the same injury been occasioned by a natural user of the land. The inference from the decision is that the landowner would not he liable for damage resulting from a natural use of the land, and ever since, thet has been accepted as stating the law accurately.

There bas been, in the century since 1868, a steady stream of court decisions in accordance with that proposition. One anomalous exception was, however, established in relation to the encroachment of trees, where the owner was liable for block them up; when the things that grow and extend root reservoir was filled, the water and hranch; as such they are a from it burst through the old readly and remediable source shafts and flooded the mines. of damage by encroachment. That apart, the distinction between natural and noo-natural was nevertheless beld strictly users of land has been severely maintained:

The development of the lew

These bluoders undoubtedly

put paid to any chance that

King Wessel might heve hed,

mistakes free, of extending his

unbeeteo record over fences

Although Border Incident

would, oo the strength of his

showing, have run out a clear-

to 11.

thing likely to do mischief if it rule came in 1930 from Dr. A. L. the law by a revered academic escapes, must contain it at his Goodhart. Professor of Jurislawyer, the courts cootinued to peril. If be does not, be is prudence in the University of limit liability to the cases of Oxford. Rarely can an academic lawyer in this country have had consequence of its escape. In so profound an effect by his writings on the law of England. His thesis was simplicity personified. An occupier of land must always take reasocable care in seeing that his land did not cause barm to others ontside

non-natural user. What, then, changed the minds of the Court of Appeal in 1979? The answer is a decision in 1966 by the Judicial Committee of the Privy Council in a Western Australian case on appeal from the High Court of Australia in Goldman v.

THE WEEK IN THE COURTS BY JUSTINIAN

stagnant and infects the neighbourbood. The owner is liable. But if it is a natural pond, could the owner sit idly by and damage done to bis oeighbour's do nothing? Refuse is deposited land. That was due, oo doubt, on land by ramblers; the law to the fact that trees, though says the owner must use reasonnaturally on land, are living able care to abate the nuisance on to the next field. Bot if the

proved at Fontwell and it seems

probable that racing will go ahead there today as well as

My Idea of the best medium

no the Northern course is the

Gny Reed-owned Cool Down,

who put up a highly encourag-

ing display on this course at the last meeting, running Skewshy to a couple of lengths

in a division of the Shotton

STOCKTON

FONTWELL.

-Shakyamonee

1.15-Cool Down***

1.45—Ragusa Bay 2.15—Cumbria 2.45—Antumn Glow 3.15—Badsworth Boy

3.45-Barrow

3.30—Roi Rig

at Stockton.

ant bad the tree felled the fol-

the land. There could not, logically, be an exception to this rule where the barm was caused by a natural condition. And be gave some simple examples.

lowing morning, but then, in-An artificial pond becomes stead of extinguishing the fire with water as he could have done, he left it to hurn Itself out. Three days later, an exceptionally high wind revived the fire, which spread to and damaged the plaintiff's land. It was held that in the circumstances the defendant was negligent in caused by the refuse blowing not completely extinguishing the fire. The Court said that refuse arrives on my land first there was a general duty of care as a result of gusts of wind, noon occupiers in relation to can I permit it to remain there? hazards occurring on their land, The Professor concluded that whether natural or man-made. these could not be proper ex- If that represented the law of ceptions to the general rule that England as well as the law of

from the hank on the mound on to the Leakeys' land. The soil From 1968 at the latest, the National Trust knew that the instability of Its land was a threat to the Leakeys' properties There, a red gum tree on the because of the real possibility defendant's land was struck by of falls of soil and other lightning and caught fire in a materials. fork 80 feet high. The defend-

In 1976, after the very dry summer followed by a wet interests autumn, a large crack opened in danger. the mound above the Leakeys' house. The National Trust drew their attention to the danger from a major fall of soil. Whila the National Trust disclaimed it was a catural movement of the soil, it invited the Leakeys to come on to the land and do any work they liked to prevent any damage. They declined to do that if anything did happen they could turn to the law to make the National Trust liable. Duly, a few weeks later, a large quantity of earth and some tree

defence to Mr. Leakey's claim.

Western Australia, it was the the Leakeys' property.

end of the National Trust's The underlying theory of the Court of Appeal's approach was The National Trust case to conclude that the owner of raised the issue squarely for land is in the best position to decision. The Leakeys' two control what happens on his houses had been built to the land, however it arises, and west, and at the foot of a large hence must take the responmound on National Trust land sibility for it. The neighbour at Burrowhridge, near Bridg- cannot act on the other's land water in Somerset. Over the unless invited to do so by the years, soil and rubble had fallen owner although he might lake owner, although he might lake protective action on his own falls were dua to natural land. On the other hand, why weathering and the nature of the should something which has its land. On the other hand, why origin in some natural phenomenon cast a liability on the landowner? The conflicts is between the owner acting in a neighbourly way by guard against any hazard on his hand and the neighbour protecting his interests against any potential

The law appears now to have switched towards preferring the principle of neighbouriness. at least until the House, of any liability on the ground that Lords says otherwise. Unhappily for the cause of clarity in the law, the National Trust has accepted defeat. Instead of appealing to the highest court so, no doubt taking the view in the land it has sought protection in increased premiums on its insurance policies. • f19801 2 W.L.R. 65.

stumps fell from the bank on to † [1967] 1 A.C. 645.

Too easy for Border Incident

IT IS difficult to know what the fifth from the start. to make of Border Incident's facile victory in Kemptoo's Fulwell Chase on Saturday,

He was always travelling with to well-deserved ecclaim io the winner's enclosure where

RACING BY DOMINIC WIGAN

Richard Head said; "When he is really well, as be was today, I heve oever seen anything capable of getting him off the But the form of the Fulwell

prohably amounts to little. Weasel, the odds-oo favourite, made a oumber of energy sapping mistakes, including a serious one at only

BBC 2

3.00 That's the Way the Money

10.05 am It Figures.

.. 3.55 pm). 2.30 Roads to Conflict.

house Way. 7.15 Mid-Evening News.

8.10 The Goodies.

8.40 Horizon.

7.25 Rock Goes to College.

cut conqueror of the fevourite anyway, it is worth remembering Peter Easterby's post-Pintail Chase comment: "King Weesel (the winner) woo't win the Gold Cup-Silver Buck will

The fect remains, however, that Border Incldent is now back at somewhere near his peak and major question marks remain against the names of several leading Gold Cup chances.

win at Cheltenham."

Ground conditions have im-

Cross Question. 11.00 The New Avengers. 12.00 The Human Face of Chinel 12.30 am Reflection.

ATV

BORDER

1.20 pm Border Naws. 2.30 Mondey Matines: "Sithe Spirit" starring Rax Herrison. 6.15 University Challenge. 8.00 Looksround Monday. 5.16 Cooking with Tovey, 10.30 Monday Movietime: "Age of Consent" starring James Meson. 12.15 am Border Naws Summary.

CHANNEL

1.20 pm Channel Lonchtime News and What's On What's and wasthor.
2.00 The Mondoy Metines: "The Purple Plain." 3.45 Food, Wine and Friends.
6.15 Univorsity Challenge. 6.00 Channel Naws. 6.10 Tha Lone Ranger. 10.28 Channel Late News. 10.35 Soap. 17.05 The Love Boat. 12.00 News ond wasther in French.

in French.

GRAMPIAN

6.20 am First Thing. 1.20 pm North
News Headlines. 12.30 Monday
Mattheo: "Mr. Perrin and Mr. Treill."

5.15 Top Clob. 6.00 North Tonight and
area weather forecost. 10.30 Reflections. 10.35 The Monday Movie:
"Builitt" sterring Steve McQueen.

12.30 am North Late Night Headlines.

GRANADA

GRANAUA

1.20 pm Granads Reports, 12.00
Monday Motines: Robert Oonst and
Oeborah Kerr in "Vscetion from
Marriage."
3.45 Food. Wina and
Friends. 5.10 This is Your Right. 5.15
Crosaroads, 6.00 Granads Reports
6.30 Bernis, 10.30 Reports Politice.
11.00 Mystery Movis and Imagination:
Richard Crenna in "Nightmore."

HTV

Capital Radio: 1548kHz, 194m & 95.8vht*

London Broadcasting: 1151kHz, 261m & 97.3vhf

4.00-Glenhawk** Service except: 10.05-10.20 am About Wales. 1.20 pm Panawdau Newyddion y Oydd: 1.25-1.30 Report Wales Head-lines. 4.45-6.15 Ser. 16.00 Y Dydd. 6.30-7.00 Report Wales. 8.30-8.00 Y All IBA Regions as Londoo except at the following times:

> SCOTTISH 1.20 pm News and road and weather.
> 2.00 Monday Matines: "Smoehing
> Time" starring Rite Tusbingham and
> len Carmicheel. 3.45 Food, Wine and
> Friends. 5.15 Border Teles. 5.20 Crossroads. 6.00 Scotland Today. 8.45
> Crimedeak. 10.35 Late Call. 10.40
> Open to Question. 11.05 Maude. 11.35

Pro-Calebrity Snooker. SOUTHERN 1.20 pm Southern News. 2.30 "Run Wild, Run Free" staring John Mills. S.16 Oick Trecy Cartoon, 5.20 Cross-roado. 5.00 Gey by Oay. 10.30 Southern News Extra. 10.35 Open Oors. 11.05 Ksz. 12.00 Ferm Progress. TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North Eest News and Lookaround. 12.30 Mondey Matines: "Storm In e Teocop" etaring Vivien Leigh end Rex Nerrison. 5.15 Mork end Mindy. 8.00 Nerrison. 5.15 Morris end Mindy. 8.00 North East News Headlinas. 6.02 Crossrosds. 6.25 Northern Life. 10.00 News at Ton. 10.30 Northern Report. 11.00 North East News Headlinas. 11.05 Monday Movie: "Tho Cat Cresture," starring Stuart Whitmas. 12.30 am EpHoguo.

ULSTER 1.20 pm Lunchtima. 12.00 Monday
Matinoe: "Vacation from Marriega"
sterring Robert Oonet end Oeborah
Kerr. S.45 Food, Wma and Friends,
4.13 Ulatur News Headlines. S.15
Cartoon Time: S.20 Crosaroada. 6.00
God Evening Ulster. 10.23 Ulster
waether. 10.30 The Irish Factor. 11.00
Tho Odd Couple. 11.30 Gardening
Today. 11.55 Bedtima.

YORKSHIRE 1.20 pm Westward News Heodlinss.
2.00 The Monday Matinos: "The Purplo Pisin" starring Gregory Pock. 3.42 Gus Honsybun'o Birthdays. 3.45 Food, Wine and Friends. 6.16 University Challenge. 6.00 Westward Olery. 10.32 Westward Lets News. 10.36 Soap. 11.06 The Love Beat. 12.00 Faith ler Life. 12.06 am West Country weather and Bhipping forecest.

YORKSHIRE -1.20 pm Celender Newo. 2.00 Mendey Metinas: "Selt and Papper" sterring Sammy Oevis Jnr. end Peter Lawford. 3.45 Food, Wine and Friendo. 5.15 University Chailenge. 6.00 Calendar (Emisy Moor and Selmont editions). 10.30 Pro-Celebrity Sneeher. 11.15 What's On Next? 11.45 The New Avengers.

> CRITERION. 900 3218. CC bookings 379 8565, Group sales 579 6061. Evs. 8.00. Sat. 5.30 and 8.30. Ther. mat. 5.00. HALF PRICE PERFS. Mont. eve The MAL. NEIL SIMON'S LAST OF THE REO HOT LOVERS. Les Montague, Georgina Nale, Bridget Turner and Susan Engel. ORURY LANE CC. S. 01-898 8108.
> Evgs. 8.00. Mats. Wed. 3.00. Sat. 5.30
> & 8.30. CAROL CHANNING In NELLO
> DOLLYT Seats \$2.68. GROUD BOOK-INGS 01-734 2290. Special prices
> sudents & CAPS (Wed. Mat. all Seats
> £2.50. QAPS & Students). TRANSFERS
> TO SHAFTESBURY FEB. 2306. OUCHESS. 01-836 8243. Mon. to Thurs Eves. 8.00. Fri. and Set. 5.30 and 8.15. OH! CALCUITA! PORTUNE THEATRE. S. CC. 01-836 2238 Evs. 6.00. Frl. and Set. 5.30 and 8.30. KENNETH WILLIAMS IN THE UNDER. 7AKING.

S.00 sm As Redio 2. 8.30 Rush Heur.
10.03 The Robble Vincent Tatephone
Programms. 1.03 pm London Live.
3.03 Showcese. 4.30 London News.
Oesh. 6.35 Look, Stop. Listen. 7.03
Block Londoners. 8.00 The Extre
Ordinary Level Show. 8.45 Question
Tims Irom the Heuse of Cemmens.
9.45-5.00 sm Join Redio 2.

6.0 am AM with 8ob Noinese 6nd Oougles Cameron. 10.00 Tho 8risn Hayes Show. 12.00 LBC Reports. 8.00 pm Helidey Special with Grag Strange. 2.00 Jenny Lecsy—Nightlina. 12.00 LBC Reports Midnight. 1.00 am Tore Jofferies—Night Extra. 4.00 LBC Reports. 5.00 Moming Music.

Capital Radio 6.00 am Oraham Osna's Breakfast Show (S). 9.00 Michosi Aspel (S). 12.00 Mike Allen (S). 3.00 pm Reger Scott (5). 7.00 London Today (S]. 7.30 Adrian Love's Open Ling (S). 9.00 Alan Fraeman (6). 17.00 Tony Mystro Lata Show (2]. 2.00 Peter Young's Night Flight (5).

ENTERTAINMENT GUIDE

OPERA & BALLET

ROYAL FESTIVAL HALL 01-928 3191. Today 3 & 7.30, Last two Pfs, LONDON FESTIVAL RALLET Is spectacular product of Tenuikousky's THE NUTCRACKER. Today: Hall, Bee yeo Cadwenbergh, Long. Tongott Rusone Jolley, Hayworth,

ADLER'S WELLS THEATRE, Rosebery Ave. EC1. 837 1572. Credit cards 837 3856. 10-6 om. Um; Feb. 16 0 0 VLV CARTE IN GILBERT & SULLIVAN. Evgs 7.30. Max Sat 2.30. Tonight, Tomor & West The Mikado. Thurs Fri & Sat: The Pirates of Peuzance.

ADLER'S WELLS THEATRE, Rotebery Ave. EC1. B37 1672. Credit cards B37 3856. 10-6-5 pm. Sounday 7.50. THE ENCHANTMENT OF VIENNA." A Concert Performance, Elisabeth Harwood, Nigel, Royal Philipprinous Orchestra.

1. 1. 1. 1. 1.

THEATRES

AGELPHI, CC. S. 01-836 7611. MY FAIR LADY, Ergs. et 7.30. Set 4.00 and 7.45. Mats. Thursdays et 3.00. TONY BRITTON, LIZ ROBERTSON PETER 8AYLISS and ANNA NEAGLE IN THE WORLO'S GREATEST MUSICAL MY FAIR LADY. Book now Theatre and Agents. New Credit Card Hotline 01-836 7358.

ALBERY. S. From 9 am. 836 3878.
Credit cards 379 6365. Group sales 379
6061. Eves 7.45. Mass Thur 6 Sat 4.0.
OLIVERI 6EORGE LAYTON, HELEN
SHAPIRO. CHILO FREE with each ADULT
valid 16 yrs or under & at time of
porchase.

ALDWYCH. S. CC. 836 6404. Box Office open (10.00-6.00). Infa. 856 S332. ROYAL SMAKESOLARE COMMANY In repertolist. THE GREEKS. Ten Greek plays given as a trilogy, he perf ton't. Wed. This Low price orses 7.30. Tomor Pt. 2 THE MURDERS, Fri Pt. 3 THE GODS Sat Pt. I THE WAR. RSC. also at The Warrances and at Wyndham's Theare. AMBASSADORS. CC. 01-735 1171.
EVOS. 8.00. Fri and Sat. S.30 and 6.30.
DINSDALE LANGEN, GWEN WATFORO,
DAVIO BURKE, ANGELA OOWN IN
BODIES by James Saunders.

APOLLO THEATRE CC. S. 01-437 2662.
Red. crice Orevs from Tomer Eves 8, 5st 5.30 & 8.30. Opena 25 Jan at 7.
TIMOTHY WEST as BEECHAM by Carvi Brahms and Ned Shernn, directed by Patrick Garland. ARTS THEATRE. 01-836 2132. TOM STODOARD'S DIRTY LINEN. Monday in Thursday 8.30. Friday and Saturday 7.00 and 9.15. NOW IN ITS FOURTN YEAR

ASTORIA. CC. 01-438 0031. 01-734 4291. 01-734 4359. BEATLEMANIA. Men.-Thurs. 8.00. Frl., 5at. 6.00 and 8.45. Reduced rate Group bookings 01-437 3556.

SUULEVARD TM. at the Raymond Revea-bar, Walkers Court. Bewer Street. CC Tel. 01-457, 2861. DAUL RAYMOND PRESENTS Queen of America's sex fitns MARILYN CHAMBERS. Exclusive 6: fittless appearance. LIVE ON STAGE. Twice eightly Mon.-Sat. 8.00 and 10.00 pm.

CAMBRIOGE 01-836 5056. Credit Cards
Attested 01-836 7040. Mon. to fri.
8.00. Thurt. 3.00. Sat. 5.00 and 5.20.
THE NIT BROADWAY MUSICAL GREAT
MUSICAL ENTERTAINMENT. CHICAGO
ELIZABETH SEAL. JENNY LOGAN
COLIN BENNETT. DON FELLOWS
MOPE JACKMAN and G. LYON,
Reduced prices for parties 078 8061.
835 6055. Students, Nurses, 0AP
standby £1.50.

COMEDY THEATRE CC. 930 2878. Mon.-Sat. 9.00. Mats. Fri. & Set. 9.30. THE ROCKY HORROR SHOW Groun sales 8 ox 0 fixe 01-370 6061. Freephons

GARRICK, CC. 01-636 4801, Evs. 8.00, isharpi. Fri. and Sat. 5.00 and 8.30. Gareth Nunt in DEATHTRAP. GLOSE THEATRE 5, CC. 01-437 1692 High-orice providers Ton's & Tomor at 8 First Night Wed. at 7.00. 8ubs 8vgs. 0.00 Sat. 5.00 & 8.15. Berry Reid. Barr Foster Pater Sowies, Jan Waters in Pete Nichols' new Oldy BORN 1M 7M GAROEMS. Directed by Chiford Williams

GREENWICH THEATRE CC. 656 7755. District Wed 8.0. Opens Thur 7.0. Subs 8.0. Met Sets 2.30. LIBERTY NALL A new play by Michael Frays.

HAYMARKET, CC. 01-930 9832. Evenings 8.00. Wed. 2.30. Sat. 4.30 sand 8.00. Gerald Harper, Kate-O'Msrai in the Sheriock Names Mystery 7742 CRUCUER OF 8LOOD by Path Glovanic

THEATRES

OLD VIC, 928 7616, Le Group TSE oresents PEINES DE COEUR D'UNE CHATTE ANGLAISE (Heartaches of ar English Pussyczt), Evg. 7.30 (Thura, and Sat, mats. 2.30, Jaa. 21-26).

PALACE CC 01-437 5034, Mon., Thurs. 8.00. Fri. Sat. 6.00 and 8.40 JESUS CHRIST SUPERSTAR by The Rice and Andrew Lloyd-Webber. Groun lakes 01-378 5067 or Freephone 2381.

PALLADRUM, CC. 01-437 7373, YUL BEYNNER HI RODGERS & HAMMER-STEIN'S THE KING AND I Also STATING VIRGINIA MCKENNA, HOTLINE 01-437

2055. EV95. 7.30. Mat. Wed. & Sat. 2.45.

PHOENIX THEATRE. CC. 01.836. 2294.

EV95. 8.00. Wed. 3.00. Sat. 5.00. 6.30.

SUSAN HAMPSHIRE. PATRICK MOWER
SECONO YEAR OF TOM STOPPARG'S
NIGHT AND DAY, DIRECTED BY PECET
WOOD. 8EST PLAY OF THE YEAR.

EVENING Standard Drams, AWARD.

PICCADILLY. From 9.00 sto. 437. 4506.

CC bkgs. 636 1071. EV98. 8.00. Thurs.

5.00 and 8.00. Sat. 5.30 and 8.30.

PETER BARKWORTH, HANNAH
GORDON In Brian Clark's new olay
CAN YOU HEAR ME AT THE BACKT
LIST 4 WOOKS. MUST end Feb. 16.

DRINGE EDWARD. CC. 01.437 5677.

EVITA BY THE THEATRE 930. 8561.

PRINCE OF WALES THEATRE 930. 8561.

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RAYMOND REVUEBAR. CC. 01.734 1503.

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At 7:00, 9.00, 1.30 am. Opens Sun.
PAUL RAYMOND Oresents THE
FESTIVAL OF EROTICA. 22nd Sensational Year, Fully sir-conditioned,
ROYAL COURT. S. CC. 730 1745. 6 Periz.
Only from Timor 7. Subs 8. Sat 5 A 8.30,
7:84 Theatre Col. in TREES IN THE
WIND by John McGrath.

WIND DY John McGrath.

ST. GEORGE'S THEATIRE. 607 1128.

EVS. 8. Set. Mast. S (24 hr bkg.) ENV Hale. John Quentin in On APPROVAL Frederick Lonsciale's comedy. Speciel 7.30 Perfs. Tue. to Pri. JULIUS CAESAR.

ST. MARTIN'S. Credit Cards. 8.36 1443.

EVS. 8.00, Tues. 2.45. Sett. 5.00 and 8.00 Sett. 8.00, Tues. 2.45. Sett. 5.00 and 8.00 Sett. 8.00 and 8.00 CNRISTIES THE MOUSETRAP. WORLD'S LONGEST-EVER RUN. 28th YEAR.

SAVOY THEATRE. 01-838 8858. CC. 8.36 8118. IMon. Fri. 10-6) LESLIE PHILLIPS. JUNE WHITPIELD. ST.VIA SYMS and ANDREW SACHS NOT NOW DARLING. Mon.-Thus. 8.00. Fri. and Sat. 5.45 and 8.45. Reduced price mast am Fridays. Group bookings 01-577 8856.

STRANO, 01-836 2660; Evenious 6.00.
Matty Thurs 3.00 SM: 5.30 and 6.30.
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WORLD NO SEX PLEASE WE'RE
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9.30 SUDER REVUE "BUEBLY.
AT 11.00 THE BLACK ABBOTS.
DANCING THAL 1.00 Am.

DANCING THL 1.00 am.

VALUEVILLE 01-35 9986. Evex. 6.00
Sal. 5.30 and 6.30 Wed. MR. 2.45.
ALAN 8ATES IN STACK STRUCK A
new thriler by Simon Gray,
VICTORIA-PALACE CC. 01-828 4735-8.

VICTORIA-PALACE CC. 01-828 4735-8.

Office 01-378 8061 or Freeham 2.381.

WAREHOUSE. Donmar Theatre. Covent Garden. 6ox Office 836 8808. S. Royal Shakesbeara Company, Ton't tomor 7:30 Oremiere Barria Keeffa's BASTARO ANGEL (not scitable for children). All Beats \$2:10. Students \$1:10. Adv bkgs Aldwyck.

Wimbley Arena 01-902 1234, Entirely mew grods, of the lavish HOLIDAY ON ICE. Tues, to Fri. 7.45. Mat. Weds. 3.00. Satt. 2. 5 and 6. Suns. 0 and 5.30 (No peris. Moss.), Children and Senior City. hat price. Pay at doors: Ample parished.

2061.
STRATFORD-UPON-A VOM. Reyal speans Theatre (0789) 292271. Immediately svalisble for RSC peris of JULIUS CAESAE tomor. OTNELLO Jan. 23. Recorded book: 0789) 63191.

LYRIC THEATRE. CC. 01-437 3886. Grt Sales 379 6061. E-95. 8.00. Wed. 3.00 Sales 379 6061. E-95. 8.00. Wed. 3.00 PAUL 600INGTON In MIDDLE AS SPREAD. COMEDY OF THE YEAR WEST ENO THEATRE AWARDS.

THEATRES :

ilby stereo presentations 30. 740. CARAVANS (A) Pross. 12.40 feet

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CO. SCD. proof. See-Fri. Org. Open 3.15,
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and Set. 10.40.
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2300. Licansed har Time (AAL Prop.
12.15 E AFTER TIME (AAL Prop.
12.15 Z 35, 5.20 8.05 Late Subvey \$2.
31 THE DEER NUMTER OD 12.21 1055
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AGNEW GALLERY, 43 Old Bond R. WI. 629 5176. 107th ANNUAL WATER-COLOUR EXNIBITION Until 15 February Mon.-Fri. 9.30-5.30. Insti-until 7. HAMILTONS. 1.5, Carlos Place, at. Grosrenor Square. W1. 499. 945028. Of
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10-5.20. Sat. 10-12.30.
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DDC 1 † Indicates programme in black and white

9.00 am For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at Ooe. 1.45 How Do You Do? 2.01 For Schools, Colleges. 3.15 Songs of Praise from Belfast, 3.53 Regional News for England (except Loodon). 3.55 Pley School. 4.20 Touché Turtle 4.25 Jackanory. 4.40 Play-

5.40 News. 5.55 Netionwide (Londoo and

6.20 Nationwide.

South East only).

bouse, 5.10 John Craven's Newsround, 5.15 Blue Peter.

for Scotland.

Northern Ireland-3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.50 Weatherman; News and Weather for Northern Ireland.

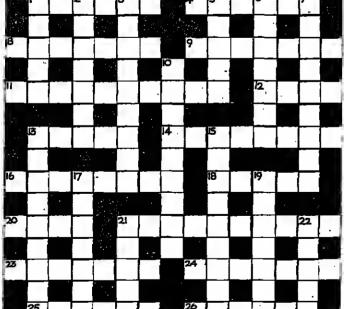
England—5:55-6:20 pm Look East (Norwich); Look North (Leeds, Mancbester, Newcastle); Midlands Today (Birmingham); 6.45 A Question of Sport. Points West (Bristol); Sonth To-7.15 Blake's Seven. day (Southampton); Spotlight 8.10 The Lynda Carter Special. South West (Plymouth).

for Wales. Scotland-11.00-11.20 am For Schools, 12.15 pm It's A Great Life. 12.40-12.45 The Scottish

News. 5.55-6.20 Reporting Scot-land. 11.50 News and Weather

6.45 A Question of Sport. 7.15 Blake's Seven.

F.T. CROSSWORD PUZZLE No. 4.179



ACROSS 1 Contemporary sailors follow (6) 4 Descend from a window (6) 8 Article 1 sprinkle for flavour

9 State allowance for tramp 11 Snake 1 put on allowance

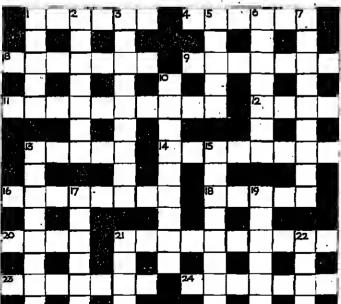
secret agent (4) Fuel emitted containing resin (5) 14 Drinking to the health of

16 Confusedly mingled in handto-hand fight (4-4)

(4) 21 Walk and run in stockings, it helps one to reach bigber levels (4-6) 23 Entangled as wood may be

to be a god destroyer (7) 25 Summary to begin again (6)

Heddiw. 11.50 News and Weather



fashion 2 Notwithstanding

with high bopes (10) 12 Catch sight of Eastern

18 Remit return for clock (5) 20 Uncovered duck and swan

24 Decide I must be admitted 21 Sergeant Major accepts 26 Local litigation against eastern rule (3-3)

with names of winners next Saturday.

9.25 Them and Us.

9.25 Them and Us, 10.05 am It Figures.
11.25 Ancestral Voices.
11.50 Regional News, Weather.
All Regions as BBCI except as follows:
11.50 Play School (as BBCI otarring Stave McQueen, 3.45 Food, Wine and Friendo, 5.15 University Wales, 145.700 pm Pil Pala. Wales-1.45-2.00 pm Pili Pala. 5.55-6.20 Wales Today. 6.45-7.15

DOWN 1 Deprived of little time with

of explosive to test again 5 Get to know Sbakespearean king and Pole (5) 6 Chap aboot to supple weapon and clothing (7)

7 Can beginner provide a means of access to food? Chioese guild with wine 10 Produced spirits and died inside (8) Morning drink giving a startling enlightenment

French grudge (7)

(3-6)15 Sick with external bloodvessel from guo-fire (9) Arranged insult about first of chemists making medicine 19 Detectives coming up with

food outside for examination (7) meal to cook (5) 22 Finish with Warrant Officer turning up to enrich with RADIO 3 a gift (5) The solution of last Saturday's prize puzzle will be published

3.30 Delie Smith'a Cookery Course.

4.10 Is There Life After Bendezvou with Romance: "Stolan Hours" starring Susan Hoyword. 3.45
5.35 Charlie Brown.
6.00 James Burke's Connections.

6.50 Training Dogs the Wood
6.50 Training Dogs the Wood
6.50 Training Dogs the Wood
6.50 Training Dogs the Wood-

2.30 Des O'Connor Tonight

10.20 Russian-Language and People.

10.45 The Light of Experience.

11.00 Arena. 11.35 Late News: 11.50 Closedown. LONDON 9.30 am Schools Programmes. 12.00 Jamia and the Magic Torcb. 12.10 pm Rainbow. 12.30 Numbers at Work. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 About Britain. 2.00 Food, Wine

and Friends, †2.30 Monday Matinee: "The Wrong Arm of the Law" atarring Peter Sellers. 4.15 Clapperboard. 4.45 pm The Ravelled Thread. 5.15 Money-go-5.45 News. 6.00 Thames News. 6.35 Crossroads 7.00 Give Us a Clue.

7.30 Coronatioo Street. 8.00 Keep it in the Family. 8.30 World in Action. 9.00 Minder. 10.30 Monday film: "Mackenna's atarring Gregory Peck, Omar Sharif and Telly Savalas.

1.20 pm Report West Hesdrines. 2.00
Here Today. 2.30 The Mondoy Matines:
The October Man sterring John
Mills. 5.75 Oick Tracy. 6.20 Crossroads. 8.00 Report West. 10.35 Food,
Wine and Friends. 11.05 Soap. 11.35
Twist in the Tele.
HTV Cymru/Wales—As HTV General 12.50 am Close: Christian Unity Week with Rev. Alec-Gilmore. Radio Wavelengths 3 1215kHz/247m & 90-92.5vhf ster

693kHz/433m 909kHz/330m & 88-91vhf str RADIO 1 (e) Stereophonic broadcast
#Medium Wave
5.00 am As Radie Z. 5.00 0svs Lee
Travis. 9.00 Simen Bates. 11.31 Paul
aumett 2.00 pm Andy Pesbiss. 4.31
Kid Jeneen. 7.00 Stayin' Aliva. 8.00
Mike Resd. 2.50 Newsbeat. 10.00
John Peel (a). 12.00-5.00 am As Radie

RADIO 2 RADIO 2

6.0 am News Summary. 6.03 Steve Jones (SI including 6.18 Pause for Thought. 7.32 Ferry Wogon (S) Including 8.27 Racing Sulletin, 8.45 Pause for Thought. 9.03 Fayourise Five Singles. 10.03 Jimmy Young (S). 12.03 pm Oavid Hamilton (SI. 2.03 Ed Stèwart's Request Show (S). 4.03 Much Mors Music (S). 5.00 News. 5.05 Woggonare' Walh. 5.20 Much Mere Music (continued) (3). 8.03 John Ounn (SI. 8.02 The Organist Entertains (B). 8.30 Folk 80 presents Roget Whittaker in concert (SI. 8.02 Humphrey Lyttelton with the Best of Jozz (S). 8.55 Sports Oaok. 10.02 The Law Gome. 10.30 Star Sound. 11.02 Sries Matthew with The Late Show, Including 12.00 Naws. 2.02-5.00 am You and the Night end the Music (3) with Nick Jachaon, including 4.02 Cricket: Benson 6nd Hadges Cup (report).

RADIO 4 8.00 am News Sriefing. 5-10 Farming Week. 8.25 Shipping forecast. 6.30 Today, Including 8.45 Prayer for the 0sy, 7.00, 2.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the 0sy. 8.35 This Week on 4. 8.45 Miles Kington with the 28C Sound Archives. 8.00 News. 9.05 Start the Week with Blohord Reker. 10.00 News. Week with Richard Beker. 10.00 News. 10.05 Money Box. 10.30 Osily Servics. 10.45 The Wooden Horse by Eric "5.56 am Westher. 7.00 News. 7.05 10.45 The Wenden Horse by Eric Overture (6). 8.00 News. 8.05 Morn- Williams. 11.00 News. 11.05 Offshore

8ritons. 11.50 Postry Please! 12.00 News. 12.02 pm You and Youra. 12.27 Top of the form. 12.55 Weathsr; programme news. 1.00 The Warld et Ons. 1.40 The Archere: 1.55 Shipping loracast. 2.00 News. 2.02 Women's Hour. 3.00 News. 3.02 Listen with Mothor. 3.15 Aftermoon Theatra (2). 4.45 Short Story. 6.00 PM: News magazine. 5.50 Shipping forecast. 6.55 Weather: programme news. 6.00 Naws. 6.30 Givs or Tahs (5). 7.00 Naws. 6.30 Givs or Tahs (5). 7.00 Naws. 7.05 The Archers. 7.20 Science Naw Irom AAAS (second of two reports from San Francisco). 7.45 "The Oavile" oley (5). 6.40 Kaleidoscope. 8.59 Wasther. 10.00 The World Tenight. 10.30 The Hitch-hiker's Guide te the Gaisay (5). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Teday in Perliament. 12.00 News. BBC Radio London

ing Concert (8). 9.00 Nows. 9.06 This Wask's Composer: Malcolm Arnold (5). 10.00 Mozart and Busoni: Violin and plano ractel (8). 10.45 Scariatt harpalcherd racital (S). 11.10 285 Scariatt harpalcherd racital (S). 11.10 285 Concert, part 1 (S). 12.05 pm Intarval Rasding. 12.15 Concert, pert 2. 1.00 News. 1.06 28C Lunchtime Concert (S). 2.00 Music for Organ (S). 2.35 Matines Musicale (2). 3.36 New Records (8). 4.55 News. 5.00 Mainly for Pleasurs (S]. 7.00 Schumann on racord (1937). 7.15 The Man in the Middle: Normenn EHz. B.00 Pritchard and the 8BC SO concert, part 1: Maxwell Oavies (6]. 3.40 Letter from New York by Nicholas Kanyon. 5.00 Pritchard and the BBC SO, part 2: Mozart (S). 10.10 The Beggstwoman of Locarno (story by Kleist). 10.75 Chamber Music from Berlin, part 1: Schoenberg, Berlin (6). 10.50 Interval Reading. 11.00 Concert, part 2: Mozart. 11.55-12.00 News. London Broadcasting

KINGS HEAD. 226 1916. Dec. 7: Show & Esselle Kohler in SHAKESPEARE LADY. 1.15 pm NIGHT DUTY. The Life & Times of Fanny Kemble.

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THE ARTS

Wigmore Hall

Souzay

by DAVID MURRAY

Accompanied as always by Dalton Baldwin, Gérard Souzay appeared on Saturday to sing Schubert's Winterreise and also to contribute the 1919 Mirages to the Wigmore Faure series. Mages and L. normon canne-rique (1921) were Fauré's last and shortest cycles, with only sour songs in each; Mirages is decidedly the gentlest of all the process, the voice never raised beyond the comfortable, reflective level of Baronne de Brimont's texts. Almost without climaxes, the life of the eongs is all subterranean or perhaps

harmonies turning obliquely beneath the serene vocal line.

Yet the music exacts a degree of concealed control that makes it a considerable test at the beginning of a recital.

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THEATRES

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Souzay's control proved happily to be as sovereign and as apparently easy as ever, his trange of haritone colour as nambtle and affecting. Less wide, weight and accupulous shaping perhaps—he took top notes I admired Baldwin's playing cautiously (but truly), and the very much: for some time nne old penetrating lightness was was eware of his reluctance to old penetrating lightness was was eware of his reluctance to produce anything much like a produce anything much like a forthright, balanced tone for pianissimo (Schuhert calls for the whole of the programme. It very aften bere), but the hard the whole of the programme. It very aften bere), but the hard Mirages was not allusive, but clarity of his reading senti gracefully candid, with Baldwin ment kept severely at bayaiming more at lucid exposition aiming more at lucid exposition eventually left a deep impres-than atmosphere. In the first sion of the noble power of the three of these nocturnal songs writing, stripped of assy graces. was entirely sufficient; only in the miraculous of the fine contribution this Danseuse," which conjures partnership has made to the art from the merest ticking over in memorably beautiful in its own piano part and a husbed right.

commentary, did that direct seem too simple. Baldwin's aturdy dance sounded too close for mystery, Every vocal phrase in the cycle was, how ever, placed with e musical assurance that allowed the disguised sinews of the music to be effectively felt, without betraying the civilised languor of the words.
The performance of Winter-

reise was in its way quite masterly, and its way was not one that narrowed the tregic range of the cycle. Souzay did nothing like impersonation; heyond a few gesturee, the songs were less enacted than narrated. But narrated with perfect sympathy—greve understanding, mature simplicity, despair with-out tears; if that is e specifically Gallic way of approaching Sechubert, it was moving as a more immediately dramatic one may be. Every point was made through the music, by judicious The cycle reminded one again mething breathless and erotic of Lieder re-creation, and it was

Welsh/Vignoles

Again and again virtuoso re- artistry of the players could citals succumb to the fallacy not bave been paid a more that technique can best be dis-worthwhile tribute. that technique can best be displayed by indifferent music: audiences are numbed into estimating performance in the athletic rather than the musical something added to a piece and ing technical wizardry, prophetic not demanded by its inner eventually rebounded nn nature. In Friday's concert, the them Its slow movement comes Variations Concertantes op. 17 ecross as a parody of Beetby Mendelssohn afforded an ex- hoven's in his Pathetique cellent opportunity to admire Sonata, managing to be both young cellist Moray Welsh's frozen and sentimental. Welsh thrilling discrimination of attacks, the precise and swell-passionate plea for it, but were ing tuttis of his accompanist, mocked, because the music's Roger Vignoles, and the Inciensemble - shared between them but in a manner -minor Sonata of Brahma to

which the programme was specific musical points—when shaped only helped add to an paradoxically we notice it least impression of great talent—the This work rarely strays from composer's as well as the minor keys, but its three con-executants—pouring entirely to cise movements are nonetheless waste, and in the process pre-three distinct expressions of cluding serious comment. Etude power and mood, and require de Fleurs, a naif arabesque for corresponding versatility from cello and piano in an idiom sug-geting diluted. Faure, and truly vindicated in the liberium Notebook, a holiday enchanting cross-phrasing of of mistaken impulse and trivial and contributes fully to Rollo's diary for unaccompanied cello, the Allegro non troppo, the are odd specimens of light sinuous interweaving of parts silly play and a wonderful oprmusic in evening dress. They in the Trio, and the gleams of portunity for Mr. McKern. tion with Edith. There is good

Festival Hall

Even the very substantial F minor Sonata by the 19-year-old ating performance in the Richard Strauss—an essay not cle rather than the musical only precocious but; in its hlend of earthy vulgarity and heguildepth is quite spurious.

If was left to the great E

totally disengaged.

prove thet we respond
totally disengaged.

Unfortunately, the two works bravura technique most vividly
by Michael Berkeley around when it is used in make
the biogramme was specific musical points—when

London Choral Society

Simon Rattle has taken over with results not always distintitle that have led to the neglect Alexander Nevaky, though the conductorship of the London guishable from under-rehearsal of e minor but delightful, understandably popular, is show-

reading.

Elizaheth

admirable

rewarding work?

Szymanowski, restrained, and

"inward" but strongly built in

a way, that makes the smoulder-

ing climax of the fifth section

doubly impressive, eotirely

avoiding the loping rbythms

into which the poetic metre

betrays some composers, was

given a beautifully sensitive

White scarcely less so except

that the composer possibly had

Felicity Lott and

Connell were soloists, Willard



Leo McKern

Royal Exchange, Manchester

by MICHAEL COVENEY

Leo McKern first played the versing in an impenetreble title role in this Parislan boule-circle — for a full ten minutes vard farce by Marcel Achard in I inspected Miss Shelley's McKern retains an obvious have Mr. McKern stamping and affection for the rola of Leon gurgling his way through an "old potato-face" (tha Rollo French title is Potate, which bas an obscene double meaning along the lines of sexual limp-

ness) Leon, like all the best farce characters, is in the grip of an obsession. Since school days, he bas hated his palindromic rival Noel. Noel always left him the fat girl in playground romances and bas since married his former beloved, Veronique, a millionairess with money in Brazil. To complicate matters, Leon is an absurd inventor of useless games kept affoat by bis

rival's lucky wealth. His own wife, Edith, ignored for many years, is rightly played by a heautiful actress, Barbara Shelley. They have edopted the abandoned daughter of a murdered whore. And the daughter

1959. The previous year be bad posture before she fainted in played Big Daddy in Cot on o an early scene with ber busband Hot Tin Roof; the next, be was and the soignee Veronique to create the role of the (played in flowing 20s style by Common Man in A Man for All Anne Rogers who, incidentally, Seasons. This piece is osten-sibly slighter than those two with two gorgeous costumes). plays, but no wonder Mr. But, et the centre, we do

gurgling his way through an incomparable performance. At one point be brings down the house by flopping ninto a chair that collapses before resuming bis needling inquisitions. Forever pulling himself up short in the face of his own absurd behaviour, he nonetheless discovers the identity of his daughter's affection only to let his own machinations run ahead of him and nearly ruin the plot.

It is an irresistible display of Inspired and varied ingenuity. I shall particularly relish the scene where he leaps out of the dark to garnish his predominant impression of a baited bull with the panache of a favourite toreador. Jack Hedley as Noel can only gasp in surprise and admiration at this double image of victim and predetor.

Mr. Hedley is supremely skilful as the stoical adulterer eannot be taken as more, and indeed make no pretensions.

But it is a pity that the brilliant reluctant humour injected into the impetuous finale.

Devid Thompson's production support, too, from Clare Higgins too often leevee us to inspect a state characters con- Wingate es en unruffled butler.

a performance thet resolutely

refused crudity or over-emphesis the "Battle on the ice" stood

up well, likewise the lament for

nell, and the short and punchy

rejoicings of the fourth number.

Otherwise, shorn of the visual

impact of Eisentstein'e film, the

petriotic music and the musical

depiction of the Teutonic Knights outstay their welcome.

But even in the cantata'e beefier

moments the choir's intelligence

and refinement made up for

eheer weight.

zzo, finely sung by Miss Con-

Covent Garden

Mayerling

by CLEMENT CRISP

power-seeking, Penney's portrait was a frank avowal of Larisch's

continuing need for Rudolf's love. And it was mature, admir-

Conley's intelligent view of

the Empress was one of feeling

held in check: Monica Mason's

on Friday was of apprehension when faced with her son-a

sharp, worried glance towards

Rudolf at the start of the closet

scene suggested how much she

dreaded his demands—and of

uniquely good.

in the tavern.

the last time-not least the

Empress's suspicions about

Larisch. Were cuts to be made.

I would only welcome some

deletion of the whores' capers

Two black marks must be

noted: the first concerne a ten-dency among certain artists to

mouth conversation ae an aid to

their playing, which is a denial

of everything dramatic dancing

is supposed to do. The second

is for the stage management

which, on Thursday night.

blocked the doors of the tavern,

and then failed to drop a gauze,

so that Mary was buried in a snow storm in the bedroom at

Mayerling, and on Friday pro-

vided only the most diminntive "pop" for Rudolf's gun in the

snow secene. Otherwise, much

praise for the ensemble, with

an especial gratitude to Graham

The latest performances of portrayal on the next night, Mayerling at the week's end which ecemed an exercise in hrought several changes of cast: Stephen Jefferies as Rudolf with Alfrede Thorogood as Mary, Jennifer Penney as Larisch, and Sandra Couley as Elizabeth on Thursday; Merle Park's début as Mary to David Wall's Rudolf, with Conley as Larisch and Monica Mason (the bright Mitzi of the previous night) as the Empress Elizabeth nn Friday.

That all these interpretations were so well-reasoned, so dramatically vivid, and so different, is tribute to the Royal Ballet as an ensemble of dance actors, and to the richness of Mayerling as a portrait of a society. Is it the fact that these characters are all real, their dilemmas immediately comprehensible, that inspires performances of much vitality? With such red meat—bleu rather than aignant-to get their interpretative teeth into, the Royel artists extract maximum nourishment from their roles; there is not one corroding, dainty fairytale manoerism in sight.

Stephen Jefferies is a player whose art seems apontaneous, oatural, able to express and convey to us the least flicker of emotion. On Thursday bis Rudolf opened oo too tense a note; unsmiling, engry, there wes little of the light and shade of feeling with which Wall varies the texture of the character. But after the interview with his mother, and throughout the eecond and third acts. Jefferies was on his best form. A leadeo pallor, dance torn from bim hy neurosis-and immense distress of spirit conveyed during the motiooless momeot when Katherina Schratt sings, which is the eye of Rudolf's sterm — were the superb outwerd signs of his incer sympathy with the role.

He was in every way matched by Alfreda Thorogood's Mary. Thorogood is the purest, loveliest classic dancer in the Royal Ballet; she gave Mary's dances a clarity of expression which exposed their essential acedemism, and sha brought to them a bold sensual drive which told everything of the girl's character, The combination of technical propriety and sexual abandon was complete justification for personality. Jennifer 's portrait of Larisch was also that of a woman physically in love with Rudolf. Unlike Merle Park's grand creation, which shows how sensitively Larisch understands tha Fletcher as Brattisch, a charac-Prince's emotional needs, or terlsation of bravura dance and

Sandra Conley's fine, grasping acting which is entirely perfect.

Festival Hall

London Schools Symphony Orchestra

Londoo Schools orchestra. A moment of the continued echievement to be reckoned in these performances of Wegner (Schelomo), and Chaikovsky (Little Russion Symphony) could sense, oone the less, an overall level of ettainment noticeehly lower than in concerts of the recent past under Simon Rattle and Andrew Devis. The latest accession to the LSSO was Myung-Whun Chung, still more femiliar in thase parts as a young virtuoso pianist of bright gifts; ahout hie orchestral direction, though, there were pleasing features, nice detalls, moments of colour and delicacy in ell three works; the overall impression was one of incomplete control of forces. lo the Overture, the light mass of violins relative to other sections required in turn that

RONALD CRICHTON | bress and percussion be more

A slightly disappointing con-resolutely tamed; the "big cert yesterday's, by the ILEA tune" emerged somewhat less than rousingly, camouflaged rather than decked in a welter of crash and jingle. Internal balances were persistently feulty in the tutti of the Block Hebraic Rhapsody; bombest, always a danger in a work of glowing melodic character and enthusiastically form, was kept in check only by the tact of the cello soloist. Mr. Chung'a sister Myung-Wha -the tone was not large, and not always clearly projected, but her phreeing was both poetic and discriminating. Was thia year'a programme amhitiously chosen? From the number of solos nervously takeo in the Cheikovsky symphony, music particularly rich in grateful solos, it seemed so, though the Finale at last gathered some of the force and excitement aweited earlier.

MAX LOPPERT

Glasgow Citizens

Fears and Miseries of the Third Reich

by MICHAEL COVENEY

and short plays, written 1935-1938, remains one of the best documents we have of how the ahuse of power thrives not only in the community that is heing violated hnt also among the administrative and professional classes whose support is necesaary to inflict the damage. In the fleet-footed and scathing manner of his epproach, Brecht was never better as a satirist. Two prisoners in stripped suits

whisper under eurveillance. They are hakers. One has been

emotional release only possible with "Bay" Middleton. charged with putting bran ln the bread; the other with not putting bran in the bread. Park's impersonation of Mary The slightness and quickness of that sketch is a little spoiled on Friday was, neturally, distin-guished. Light in statement, Mary's falings seemed to flare hriefly, so that the suicide by the actors baving to wait for an SA man to trundle porscene was played on a note of teotously acros the stage betweeo lines. Although Gilee

resignation to e fate she has sought. From Devid Wall on Havergal's production is generally equal to the doublethis occasion a Rudolf marked edged humour of the show and by great weariness of spirit: is particularly good at encouragthere is extreme pathos in the iog emotional turmoil where first act when encircled by the Hungarian separatists, be appropriate, it does truodle a hit. Sue Blaoe'a atage design escapes from their arms and is ell white, with three lerge gazes out at us, desperate for billiard tables upatage around peace of mind. Wall here, as so which unemployed often throughout the ballet, is memhers of the cast lounge to

the accompaniment of an and-less, though muted, bandstand About the production Itself am happy to report that the cacopheny. Unnsually for this vexed snow-scene has been theatre, the physical presentemuch improved by re-lighting, tion is rarely ignited by the hy pruning of dances, and by suppression of the snowhalling. actors' work. A notable exception is pro-I am less inclined than some vided in the staging of one of to call for its excision: 1 the most femous short plays, The Jewish Wife. The moooremains a mysterious, allusive passage in which the drametic threads that animate poor ogue of the consultant's lady puppet Rudolf are tugged for

folding ber underwear and seying goodbye to her frienda by telephone is superbly delivered by en actress new to the com-pany, Zne Gonord. Upstage, a eingle ector casually knocks the balls around before sliding into focus as the consultant himself. Alan Rickman, another invalnable recruit, is the consultant,

Brecht's collection of sketches the sketches are packed with images of people either on the run or frozen in fear. Miss Gonord relates that mood to the actual detail of shutting domestic and emotional shop with tingling accuracy.

The other textual revelation for me was the acene where a judge—played hy Mr Rickman wrestles with his professional conscience when faced with a brief that frames a Jewish jeweller whose ebop has heen smashed up by Nazi thugs. Layers of authoritarian corruption are laid hare with merciless economy and real glee. Wheo a Marxist colleague of the jeweller, accused of subversive rabble-rousing, le rels driven to declare, in exasperation, that you don't need a voice to ahout insults.

Eleewhere, we see scientists excited hy a discovery but reluctant to let Eiostein's name drop from their lips; a priest unable to comfort a dying man faith means anything: a teacher and bis wife tying themselves Into knots of panic when their aon goes out, not to ettend a Hitler Youth meeting, hut to buy a bag of sweets; a doctor refusing to comment on the "occupational" disease of a patient wheeled in from a labour camn.

The evening accumulates ae an impressive eet of variations on the "Walls have Eare" main theme, and Paul Kriwaczek's translation strikes me as adroit and often very funny. There is a marvellous short speech for an author frustrated at not being honoured hy having bis books hurned: he is ontraged at being treated like a liar. The performers mentioned supply the acting bighlights, hnt there ls good gruff work by Patrick Hannaway and varsatile support convinced that "this inflamma- from Fldelis tion" will eoon die down. All Steven Dartnell. from Fldelis Morgan and



Jim Hooper (standing) and loss Trous

RUGBY UNION

Nothing forced, nothing done

Szymanowski's Stabat Mater,

Prokofiev'e Alexander Nevsky-

Three works-Rakh-

orchestra was an "also ran"

with a blanket of vocal tone.

general effect) yet all that was needed was e clearer edge on

merely for effect, yet none of the chorus words. Is it the intrithe improvisatory quality sought cate orchestral writing coupled trating sound than the noble

interpreters today with the unimportant-sounding tone of the Jamaican hass.

In the Rakhmaninov Songs

Choral Society, with Nicholas With the RPO responding as they Cleobury as chorus director. do to such guidance as Mr.

Saturday night's concert with Rattle gave them, this was very the Royal Philharmonic different from the old kind of

Orchestra reached an excellent choral concert in which the

maninov's Three Russian Songs, largely and mercifully covered

from the inter-war period, each the balance was tilted almost

one conducted by Mr. Rattle too much in favour of the

with exceptional sympathy, skill orchestra (the scoring is sumptuous both in detail and in

Pack wins the day for England

ENGLAND MADE the best outplayed in every phase of the Keane, Glennon and Duggan en ming which was closely imitated BRIGHTON AND HOVE Albico, me common denominator of the bearted if somewhat unsophistic Seturday. As they were huminated by the selection of Biske bloc to the middle of the line by Carleton. It was not pretty which had suffered only one three promoted sides lsy in cated Armstrong and Taylor, lieted in front of their own possible start to their season by game. The selection of Blake-annihilating Ireland 24—9 at way was inspired. Although Orr, Twickenham on Saturday. Con-sidering they scored only 52 points in their four matches last year it was most encouraging him and place the cornerstone However, there is sterner stuff of England's success. to face in the near future. Ireland, so optimistic after their Australian successes, have a lnt splendid platform for Horton of repair work to do and with and Beaumont who both the game being played at such a pace some of their forwards looked a little short of fitness. It is easy to say that England's pack won the day and so they did. But there was much heeled it also prevented Duggan more to the match than just from picking up cleanly. It was that. There were several early crises to be faced, notably the three penalty goals that Camp- had-heeo beaving very quickly bell casually put over following in the opening quarter Hare's first penalty for England. The control at the for England to he six points meant that England had far down after a quarter of the more options, and when they match was really quite absurd. were leading 18-9, Beaumont

With the hacks losing possession in the tackle so fecklessly and Ireland kicking them hack, that the players stuck to individual and collactive tasks with cannot recall seeing the for his bard work.

Irish pack so comprehensively

England'a front row was magnificent and provided a of the game. That shove kept Slattery and O'Driscoil attached to the scrum and when Ireland particularly important to sustain that pressure because Fitzgerald

The control at the scrum meant that England had far wisely changed the tactics and kept things tight. There was not England's game. always perfect barmony between the whole team effort might have Scott at No. 8 and Smith, Scott fallen apart. It didn't and it says appearing to be too keen to go a lot for the spirit of the team on his own. But it did serve the purpose of pressurising Ireland at their weakest point. Scot'a final try was a just reward In desperation, Ireland moved

out to counter Beaumoot and a great boost for England. Beaumont caught well, as did Horton, when it really mattered. I have

past but he had a fina gama and lasted the pace well.

England's rucking was also much hetter mainly hecanse Neary (in supreme form) and Uttley set the hall up so well. pathy with Smith but it was Beaumont who set the standards of application and endeavour.

Behind such a solid effort, Smith, not surprisingly, had his hest game for England so far. Hie defensive kicking in the second half was a great uplift offers to his pack. His pass is still not pack. quite quick enough hut I was glad to see him take on the Irish back row to add variety to

first dangerous 20 minutes and his increased confidence to revert to his normal running game- were also key factors.

possible start to their season by game. The selection of Blake- bloc to the middle of the line- by Carleton. It was oot pretty Horton. It had little effect and frills as England's forthright Wheeler's accurate throwing was tackling indicated. Whet I did enjoy was the obvious thought that had gone into the game with Slemen, for example, heing been critical of Horton in the used in defence in the 22.

One has the impression thet there is much more to Camphell's game than just accurate kicking. He made one dazzling hreak and in the second half, when Ireland were obliged to They showed a remarkable em- run the ball from anywhare, be passed quickly and economically to McKibbln and Burns, a reement for the injured McNapehton:

Ireland's threequarters looked very nippy but couldn't possibly live off the scraps of possession offered by their subservient

O'Brien, the new fullback. made very few errors but those he did make wera extremely petent Second Division team serious. His first major mistake The improvement of Horton's was not to deal with Smith's which led to Slemen's try that selves. gave England an important 15-9 lead at balf-time. That large number of quality young lead was never really seriously players, the product of Palace's foursome in the land. They Before his tragic injury, Bond threatened in the second half successful youth team, nor the dominated the middle of the bution with his powerful run- ance of the England pack.

SOCCER BY TREVOR BAILEY

Spurs teach Brighton a lesson

teble, were brought sharply Hntspur on Saturday. The Londoners not only beat them completeness of their victory made a nonsense of the fact that hefore the kick-off a mera two points separated the two

This is Albion's first experience of life with the elite, and It was inevitable that they would have problems establishing themselves. Last season, when along with Crystal Palace and Stoke, they gained promotion with no more than a com-

But they did not have the the club from the Potteries. The lead forwards the

defeat in 11 consecutive matches having above-average youthful,

It was entirely understandhack to the realities of First able for Brighton to he srug-Division life by Tottenham gling at the etart of the season and firmly anchored at the foot of the table. The real sur-2-0 at the Goldstone ground, but prise is their recent revival in the process handed out e which Alan Mullery has footballing lesson on a tricky effected with the players at his surface. The manner, and the disposal for some of them are not of true First Division calibre. This weakness was highlighted against Spurs, especially in the first half when with better finishing the visitors could have scored at least two more goals without being flattered.

After the match, Mullery warmly praised the Londoners for their skill, and in particular for the work of their two world class Argentinians, the powerful Villa and the dainty Ardiles. which possessed en abundance This pair, with the support of spirit and allowed them to of the elegeant Hoddle and tha kicking from fly-balf after the beautifully placed diagonal kick play consistently above them- eminently practical, professinnal Yorath form what is just

about the most inventive and exciting attacking half-back wbo was pressed into aervice was not completely metch fit form, lose. —with numerous chances.

tightly marked by the impres-sive Miller and the dependable Perryman, must have wiehed he hed been playing for the opposition, as there was at the very least a hat trick for the taking. One of the main reasons for

the effectiveness of this Spurs midfield quartet is that they are such a heautifully halanced unit, with the strength of Villa In possession, the hite and character of Yorath, the vision and craft of Ardiles and the control and positional sense of Hoddle. Against Brighton, their balance was not only complementary hut also physical because on Saturday's tricky pitch they kept their feet and brought the hall under control far better than their opposite numbers.

Will Brighton achieve their main objective, survival? Much, rather strangely, could depend whole the FA Cup at Highbury next an above average strike force.

and hed consequently climbed ambitious managers — Mullary, as a late replacement after a dismissed from the League Cup off the bottom place in the Veoables and Durban. hy the Gunners they should; on

However, if they did win Ward, the Brighton striker, through to the next round, it would provide a great boost to their morale whereas defeat on top of their experiences against Spurs and the unpleasant prospect of an away game at Ipswich could eesily cause that drop in confidence or belief in themselves which so often provides the difference hetween survival and relegation.

> I hope they succeed for the Albion are a friendly, well-administered clnh, who have had to wait a long time to reach the top. Inevitably, they have made some mistakes.

It would be true to say, and nohody can be more aware of the situation than Alan Mullery. hnnest iodividual, that they will have to acquire some new blood if they are to make a real impact for it will be sevaral years before their youth team pays a

dividend. In the meantime, Clarke and had made a considerable contri- thanks to the auperb perform- experience and the tradition of park and provided their two on their clash with Arsenal in Ward have blended wall to form

full-time non-executive post working with sepa

Acting chairman and chief executive pending

Combines the role of chairman and chief execu

Full time executive chairman

corporation split in two

Full time chairman operating with separate dilet

FINANCIAL TIMES

Bracken House, Cannon Street, London EC4P 4BY

Telegrams: Finguilmo, London PS4, Telex: 2954271, 263207

Telephone : 01-243 3000 Monday January 21 1980

Peace at risk in the Balkans

ahown an unhappy lack of unity over its reaction to the Soviet invasion of Afghanistan. Some countries seem to take the view that Afghanistan is "a far away country" whose fate should not he allowed to jeopardise the political and economic gains of detente in Europe. Now, however, tha future of Yugoslavia has raised fresh questions about East-West relations-and this time there can be no illusions. Yugoslavia's future has direct relevance to the peace of

Yugoslavia lies in tha heart of the Balkans, and the Balkans have heen a powder keg too often for Europeans to under-estimate the strategic, economic and political importance of this

- me

An economically developing, militarily secure and politically independent Yugoslavia has been a major factor for security in this fractious region for over three decades. Yugoslavs themselves have been the main heneficiaries. They bave heen able to patch up the ravages of a bitter guerilla war and civil war. They have shown the world that a multi-ethnic society can work and that communism does not automatically and inevitably lead to state monopoly capitalism oppression.

The future of Yugoslavia is. of course, primarily a question for the Yugoslavs themselves to. . decide. For over 30 years since their expulsion from the Cominform in 1948 the Yugoslav leadership and peoples have made cryslal clear their determination to run their own affairs in their own way. Their experience of non-alignment has canvinced them that the best path for Yugoslavia and the world at large is for Yugoslavia to remain independent of both the power blocs.

Yugoslavs are well aware that the best guarantee of their continuing independence lies in maintaining their own internal unity and cohesion. History is power rivairy. full of examples of countries becoming prey to outside interrecent examples, internal facin the Soviet decision to invada pect of similar opportunities emerging in Yugoslavia holds national independence.

bas Yugoslavs can prevent from happening.

That said, however, there are several things that the West can do to help Yugoslavia help itself. One is for the Common Market to finaliae the long delayed five year special agree ment on terms which would allow Yugoslav goods improved access to West European markets and financial help for much needed infrastructure projects A decision on this could be taken next month, as was implicitly promised last week.

The West should also make clear that it is prepared to continue supplying Yugoalavia with the kind of military equipment it requires for self-defance, while resisting any temptation to seek hasea of any kind. Thirdly, the Soviet Union should be left in no doubt at all that any Soviet attacks on Yugoslav integrity or independence would be seen by the West as a whole as an unwarranted breach of the whola framework of post-war re lations agreed at Yalta and as such, an attack on peace in Europe which would be resisted.

But the future of Yugoslavia will oot be determined by events in that country alone. Neighbouring Albania also has an ageing leader in Enver Hoxha, the iconoclastic leader of a country which now has no great power allies and is looking around for new trading partners. It too should not be made the object of future great power rivalries. Greater efforts sbould also be made to resolve the dangerous hostility between Greece and Turkey and the Cyprus question.

At present NATO has detected no indications of any Soviet military movements in the Balkan area. This is a welcome sign. If the Soviet Union is indeed still interested in a meaningful policy of detente in Europe it could have no better means of demonstrating It than hy joining with Western Europe in an East-West understanding to keep the Balkans out of great

This would have to include restraining Bulgarla from raisference as the result of internal ing the Macedonia question, strife. To quote just two hitberto an accurate harometer of Soviet-Yugoslav relations, and | himself to put up with regular tional squabbles played a part resisting any temptation to move Soviet troops Afghanistan while the interven-tion of its Cuban proxy on the Yugoslavia, is a formal member side of the MPLA tipped the of both Comecon and the Warbalance in Angola. The pros- saw Pact. But it, too, has expressed its desire for greater out the greatest long term threat desire has to be respected if tha to Yugoslav independence. It Balkans is to remain an area of is a situation which only the peace and stability.

Reasserting the rules for steel

THE meeting on Saturday between Ministers and the leaders of the ateel industry unions on Saturday was at first sight entirely unproductive. Sir Keith Joseph repeated his now familiar insiatence that taxpayers could not be expected to provide any further subsidy for steel industry wages, hut fbe main strike leader, Mr. Bill Sirs, continued afterwards to demand that money already provided for investment and closure expenses should be diverted to wages. Such a distribution of the seed corn could only do further damage to British Steel'a already very questionable future.

Basic facts

It may be wondered, in auch circumstances, whether it was not a mistake to meet at all; but the Government, which bas laid down the ground rules under which the management must negotiate, bas both a wish and a duty to see that those rules are clearly understood. It is to be hoped that Sir Keith and Mr. James Prior did succeed in making certain basic facts clear. The first is that the Government is not and does not intend to be involved in the wage negotiations. That does not merely mean that it refuses to finance an uneconomic settle-ment, but that it does not have any view on the size of a selffinancing settlement.

The second and more possibly amhiguous point is the nature of the cash limit which the Government bas imposed. Mr. Sirs must surely understand that the cash which is already on offer is intended to finance certain measures to improve BSC's efficiency, even if he continues to wish to divert some settlement on wages aconomic of it to other purposes. However, one way in which the scale meanwhile, should reflect on the of a self-financed pay offer could be raised is by supple- fact that the support they have mentary measures to raise pro- so far mustered outside the ductivity, by means of redun- industry is not uniformly imdancies or productive spending pressive, and on the fact that beyond the programme already strike disruption has in the past proposed. There appears to be done far less damage to tha nothing to the principles which economy than alarmists have the Government has laid down feared. The Government underto rule out new investment pro- standa this, and its firmness is posals of this kind, which might no hluff.

enable British Stael to pay higher wages out of improved

efficiency. Unfortunately this possibility bas not even been explored at present, because negotiations between the unions and the employers broke down over the preliminary question of the conditiona attached to the basic national offer. : Yet until the structive exploration, there can he no productive proposal to auhmit to the Government. This is the point evidently appreciated by the Advisory Concilia-tion and Arbitration Service, whose efforts have been concen trated aimply on getting talk's re-started. Unfortunately both sidea are still trying to diseover their adversary's strength—the unions to see if they can cause enough national disruption to drag the Government into the negotiations against its principles, and the employers to test the depth and breadth of the whole trade union movement'a support for the strike.

Inefficiency Tha nature of this trial of strength has always made an early settlement of the steel dispute unlikely, and it may take not one but aeveral meet ings to convince the union slda that the Government is prepared to run large risks to end the open-ended subsidies which bave luiled steel and other industries into such disastrous

inefficiency.
As the fundamental nature of the deadlock becames clearer, it is possible that the Government might be able to sound a little more encouraging about the possibility of helping the industry towards the kind of efficiency which would make an acceptable Government's resolve, on the

trail for board chairmen

worst paid, most arduous, and

dustry. bonest advertisement say something like: might Person willing to be pilloried in public, bullied by civil serrants und Ministers in private, condemned by his employees, naid half what he could receive in the private sector, wanted for n job which he might be ollowed to keep for threa to fice years. No guaranteed extras, oithough good balmviour should merit n knighthood if he visiting

Whiteholl." But, as in so many areas, Mr. Benn did not have his way. So tries hy the time-honoured be known that the methods of using the political chairman wants to some, and are becoming increasingly unsuccessful at finding chairman, expecially for the more troubled industries, when it is clear that hardly anyone manages to complete a chairmanship with his reputation

enhanced. The industries themselves often do not produce suitable internal candidates, and outsiders are put off by the lack of financial reward and the frustrations of political control. Industrialists in their 40s—the age-group that the present Government is particularly seeking in the mould of BL's Sir Michael Edwardes-are especially hard to attract. Older industrialists, while less warried about losing their reputations, are often loath to accept the pressures involved.

Someone in bis 40s invited to from Sir Charles Villiers for example might be tempted, with suitable rewards, if he felt he could be his own bbss in the way lbat he would be if he took on a troubled private sector com-pany. But at the BSC he would also have to cope with political interference (despite the pre-Government's avowed. policy of disengagement) on both short term and long term matters. He would have to teach always proves more irksome than new chairmen expect). He would also have to be prepared to operate fully in the public eye. For all this his salary in a few months' time would be £48,500 a year (subject to some possible increase to account for inflation) which is roughly half that earned not only by the chairman but also the deputy

The steel job is of course one of the most difficult to fill, as is ahipbuilding which also faces a

chairmen of ICL

F Anthony Wedgwood Benn end of the scale, bowever, there bad bad bls way when be seems to bave been little was Secretary for Industry, trouble in enticing Dr. Austin tempting advertisements might Pearce to move from the now be appearing in the £75,000-£80,000 chairmanship of national Press offering wbat are widely regarded as some of the British Aerospace. Not only is aerospace one of the more sucinsecura jobs in British in- cessful of the State-owned heavy industries, but Dr. Pearce will also bave the challenge of transforming the corporation into one of the first of the Government's partially privateowned industries. This means that his allegience to Whitehall and Parliament will eventually be reduced. Dr. Pearce, at the age of 58, acknowledges that he has won an absorbing challenge after a life-time with Esso, and is believed to be not too badly off financially after tax when bis Esso pension (partially commuted into an mmediate lump sum) is taken

The hunt for a chairman ministers and aenior civil ser- normally starts between six vants are now trying to find months and a year before the people to become chairmen of existing incumbent's term of about ten nationalised Indus- office expires. Sometimes it will be known that the current and industrial version of the more often than not Ministers "old boy net." Such methods and civil servants start looking hnwever are slow and cumber- for an alternative without telling the existing chairman whether or not be will be invited to carry on. This embarrassing, if not insulting, procedure infuriates the chairmen but is defended by civil servants who say they dare not risk telling the chairman he must go in case they are then left with no-one to replace him. This last happened in 1974 wben Sir William Ryland was re-appointed to the Post Office chairmanship after having known for some months that Industry Department wanted him to go and had been unsuccessfully looking for a re-

Consultation

process

When the hunting process take on the Steel Corporation starts, senior civil servants responsible for the industry will consult their permanent secretary (who will be closely in-volved in choosing the candidates) and the Minister, Top executives and board members in the industry concerned will be considered first, unless there is some-clear need or wisb for a political appointment of someone like a former Minister. (The present Government Is avoiding such appointments although it would not turn down a new monitoring by civil servants Lord Robens-former Labour and by Parliamentary Select Miolster and Coal Board chair-Committees, (which almnst man-should one emerge.) The current chairman of the industry, will, at some stage be asked for his views and suggestions. and other people close to the industry, as well as more general contacts, will also be sounded out for names. Sometimes (as bappened with Dr. Pearce) the man ehosen may already be a non-executiva director of the board concerned. Alternatively he may have links with the business, as Sir Michael Edwardes did with BL since he was both chief executive of is now being tipped for another

rising popular interest in the

backers. A faw years ago, Keene recalls, the backing was so poor that some of England's best

players refused to play for the national team. Michael Butter-wick, chairman of Duncan

Lawrie, the plantation and ware-

housing firm backing the current

trip, is a keen chess buff himself.

"There's little publicity in it for us. We do it for the love of

the game. I think this will cost

ua about £3,000," be tells me.
The players also seem to

appreciate the low-key approach

and cringa at the thought of

modeaty is well in control of their financial aspirations, and

found no one who would be

matches kitted out in promo-

tional costumes-no matter what

young veterinary surgeon

friend, eager to make a name for himself and therefore happy

to turn out at all bours, tells

me he drove out to an isolated

farm one night recently in answer to an "emargency"

call. Arriving at the bolding and asking to be led to the ailing beast, be was told there

Lame excuse

the rewards.

UK Atomic Energy Authority Sir John Hill ber of the National Enterprise At some stage a little known liat of the "great and the good" called the Central List, which is run by the Public Appointments Unit of the Civil Service Department will be consulted. There are 3,500 people on this list, which is used for all

British Aerospace

National Nuclear Corporation

British Steel Corporation

British Airways

British National Oil Corporation

Whitehall on the head-hunting

By JOHN ELLIOTT, Industrial Editor

Admiral Sir Anthony Griffin

Lord Aldington

Sir Charles Villiers

Sir Michael Edwarder

sorts of Government appointments; but it rarely produces an industry chairman because it is too generalised. As with lists kept informally by individual departments, tha Appointments Unit bas names submitted from a number of sources, and some people who nominate them-So there is no formal system covering all departments and it is up to each ministry to develop its own methods, subject to the Treasury and Prime Minister's office vetting the most senior industry appointments. Sir Peter Carey, the Industry Department's Permanent Secre-

tary, has for example formed a small ad hoc group of advisers and is also thought to be interested, along with other departments, in increasing the number of non-executive directors moving from one industry to another. Meanwhile the Transport Minister, Mr. Norman their 30s onto boards as partume members, and is tryii organise heirs apparent well in

advance for chairmanships. The sorts of people often considered for the chairmanships-given that men in their 40s are difficult to attract-are those occupying or retiring from other top jobs. Sir John Greenhorough, former managing director of Shell UK and the current CBI president, is believed in his home industry to have been offered the chairmanship of the British National Oil Corporation on two occasions. Sir Denis Rooke, the selfmade chairman of British Gas,

Steel. Sir Barrie Heath, the retiring chairman of GKN, had been mentioned as a candidate if Dr. Pearce had not gone to Aarospace, while Sir Lindsay Alexander, of Ocean Transport, was offered (and rejected) the Shipbuilders' chairmanship, But not all the names that appear in speculative reports about chairmanships are necessarily genuine runners. Some of them are self-promoted, either intentionally or simply because it is often difficult for top indus-trialists to admit that they have not been offered a job. The particular skills and experience required for various

FIRST VACANCIES FOR CHAIRMEN OF STATE INDUSTRIES

Feb.-March 1980

Nov. 1980

Dec. 1980

Feb. 1981

£44,000

£53,500

€48,500

jobs will obviously direct attention to certain sorts of candidates, although there is no rule about this and the hunt often becomes so desperate that preconceived notions of an ideal person are often abandoned. For example, Sir Charles Villiers, a 64-year old merchant banker, was not the first choice for the BSC chairmanship four years ago when no-one had specially thought of scouring the banking fraternity for a candidate. Now the Government would

like to find a financially experienced industrialist in his 40s for British Steel, with leadership qualities to win over the work-Fowler, is putting people in force, and the tact to work alongside Mr. Boh Scholey, the blunt down-to-earth executive and deputy chairman, current national strike is over Many names bave been floated Villiers until be goes at the end in newspapers and magazines, of the summer. Rather late in and approaching a dozen have the day, the Industry Departheen seriously considered as ment has called in headhunters runners by the Government; hut including Russell Reynolds either they have been discarded which has now submitted some or they rejected the approach.

Mr. John Gardiner, the Headhuntars usually charge a 44-year-old chief executive of third of their target's annual the Laird Group is believed to salary as a fee-£16,000 in the have refused the chairmanship case of BSC-and bave been the present ad hoc system: As not only of the BSC but also used for a variety of appoint- one of the people sometimes of Shipbuilders (where he has ments in the past, especially by consulted commented: "It's a just become a non-executive the Industry Department. But case of Ministers and civil ser-director). Mr. John Harvey- up to now they have usually vants revelling in the sort of Jones, a deputy chairman (and proved themselves more power play that they understand

approached, and Mr. John Eccles, chairman of Ransome Hoffman Pollard, was considered hy Ministers. Sir John Buckley, chairman of Davy has been men-tioned, as has Sir Peter Carey, who is in charge of the hun and bas shown no personal interest in the job. Among politicians named and certainly considered informally by the Department are Mr. Eric Varley, former Labour Industry Secretary (who if he ever decided to leave politics would probably rather go to the National Coal Board when Sir Derek Ezra retires in 1982), and Mr. Roy Mason, former Labour Ulster Secretary and ex-miner, who

would also prefer the coal job. From within the steel industry, in addition to Mr. Scholey, another name canhas been Mr. John (Jake) Stewart, a member of the old Stewarts and Lloyds steel family, who is in his 40s and is the BSC's managing director in Scotland.

Headhunters called in

probably like to appoint somechief one to move in as soon as the who would like the job himself. to work alongside Sir Charles

troubled future. At the other Chloride and a part-time mem- challenge, probably at the possible future chairman) of successful at finding specialist, and enjoy."

although they have also some times been used to sound out a candidate whom a department approach openly. If the headbunters managed to belo find some chairmen for posts now falling vacant they might well he more widely used in the

The main problem however is } not the method of selection but the fact that the industries do not breed enough of their own chairmen. High flyers at universities who want to go into industry are almost certain to go into the private sector, while those interested in public adminstration will aim for the Civil Service. As a result the public sector industries are ften left with little apart from their technical experts and about 25 per cent of their top posts are filled from outside. It is relatively rare to rise up through an industry and become chairman although it has been done by people such as Sir Denis Rooke and Sir Derek Ezra. But there is no obvious career pattern either within individual industries, or even spanning the State owned sector.

The Nationalised Industries' and the Government would now Chairmen's Group has called for a more professional approach to various changes, including a system involving more internal appointments with the selection process starting nine months before a contract expired. The chairman would know whether he would be reappointed three months after that.

But nothing positive has Headhuntars usually charge a emerged from these ideas, and third of their target's annual the suspicion remains in the industries that governments like

Young master back at school

Nigel Sbort, the 14-year-old chess prodigy, could not make the trip with the English team which left at the weekend for which left at the weekend for the Eourpean championabina in Swaden. "Hia headmaster feels be bas already bad too many days out of achool," explained David Anderton, the team's nonplaying captain.

Even without young Short. the youngest-ever International Master, tha skipper is still confidaot his players, average age 26. circus-style sponsorship now have an outside chance of taking common in the U.S. Their third prize behind the Hungarians and Russians and one place ahead of the Yugoalavs.

Young Nigel is not the only bappy to sacrifice bis independ-world-clas player baving trouble ence and play endless exhibition with the headmaster. Paul Littlewood, a 24-year-old chemistry teachar, staging his first appear-ance for his country after making the grade as Inter-national Master last September, told me his bead was "not struck" on lengthy absences from the lab. And I detected a tona of resignation ln his admission that in his two encounters with Short he bad only managed to draw. More assured was John Nunn, a mathematics lecturer at Oxford, who boasts three wins -" one only two weeks ago "and a draw over the newly risen

Ray Keene, one of the team'a most experienced members, who turned professional eight years ago when he was no veterinary crisis.

"I have to get into town in a burry," the farmar said, "My car's broken down the car's bro ago when he was 23, is visiting fee is less than the more canny. "I avoid playing mini-cab fare." youngsters if I can," be says.

Reticent about the earning power of a pro chess player, Keene says only that from book royakties, prizes, nawspaper columns and chess displays, a full-time good class player can earn "well in excess" of the income of a man in midle management. His eyes twinkle at the thought of the SFrs 1m prize collected racently by Russian Karpov in a world tourna-

Soldier's tale

I hear one of the International business community's more rumbustious members, Simon paperback book, Legionnaire. Murray, who started work as ha could be called a whizz-kid.

Sponsorship in Britain yields a traines engineer with Mather But he's still a tremendous

and what's Supergrass got to say this week?

and Platt in Manchester in the late 1950s, tells me that the over-riding gloom of thosa days, rendered even more profound by his habit of spending £10 a week on a wage of £7, led him to seek "romance" in tha French Foreign Legion

Brimming with romantic notions, he signed on for five years at the romantic age of 19 and found himself pitched beadlong into the Algerian war. His memoirs, he says are a full record of his service during which he made modest progress through tha ranks, climbing from expectant poils to battle-weary coporal chej. Back in now-swinging Britain

in 1965, be shook the sand from his boots, switched back into engineering with Jardine and movad on to Hong Kong, taking with him his new wife, Jennifer, daughter of his old boss, Sir-William Mather. "I used to think be was an awful barum Murray, executive in charge of scarum chap," Sir William retrading operations for Jardine calls fondly. And while Murray Engineering in Hong Kong, will retains much of his barnstormbounce back to London next ing vigour, bia father-in-law's March for the launch of his view of him has moderated. "He's doing very well, I think

character, a great entertainer." tban an original in some ways. He made a name for himself last year at a Stamford University summer school, it is true. But the feat that did the trick-swinging from a chandelier-must surely have been tried before.

Tick for tourists

It is often said that "Brazil is not logical, but it works." So the authorities have conceived an idea that testa the hrains of those accustomed to ficancial logic: the Bank of Brazil, at the inatigation of the National Tourist Board, is offering £25m in loans at 15 per cent-interest to citizens of the U.S. wisbing to visit "the country that is a continent."

If the idea works, the borrownow-pay later policy will he extended to Enropeans and Japanese. The reason for this novel offer, from a country £254bn in the red, is that vast Brasil has a minuta tourist

Only 750,000 people came visiting in 1979 but calculating what they spent bas defeated tha government statisticians.

Most exchanged their pesos,
dollars, sols or yen on the thriving black market, which bas
always extended a warm welcome to foreigners.

Less friendly, I learn from Rio, are the muggers, pick-pockets, armed restaurant, shop and bus raiders and cab drivers who have a colourful habit of turning np meters to ten time their normal speed - all of which make a loan, on occasion, quite useful for the visitor from

Revised version

—Seen stuck on the rear window of a car in Sheffield: "Do something about the steel atrike, Mrs. T. Necessity is the mother of intervention."

Ubserver |

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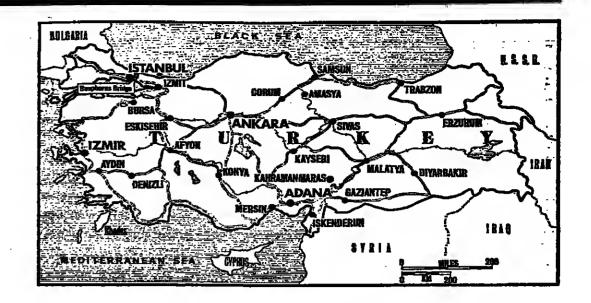
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URKE

A minority Government is trying to tackle the economic crisis and political violence which wrack the West's most important ally between Europe and the East. Before Afghanistan and even before Iran—Turkey's position was crucial. Yet the West has been slow in helping a country whose difficulties also show how oil prices rises threaten the developing world.



A vital West

By David Tonge

WHEN a Romanian oil tanker exploded in Istanbul two months ago, many people's reaction to the noise was that the civil war

Between 150 and 200 people are being killed each month. Fear stalks the streets with the There is little fuel oil. little lignite and little electricity to heat the snow-bound homes of Anatolia. Unemployment exceeds 20 per cent. Inflation is unchecked with prices rising at an annual rate of 70 per cent. Factories are working at far below normal capacity, and workers' real incomes have fallen by up to one-third. " They talk of austerity and tightening belts but our belt buckles already touch our spine," one union leader complains.

It is a recipe for unrest. The Teft describes Turkey as "the weak link of imperialism." The religious right says Turkey is involved.

13.7

anxionsly south east, wondering how long it can control the pres-Turkey's 7m Kurds

This then is the state of the West's most important ally between Europe and the East. Though its people are Moalem, its secular state is showing every sign of resisting the surge of Islam round its borders, not least in Iran. But even before Afghanistan there were reasons why the West should have been concerned. NATO may never bave considered Turkey would accept theatre nuclear forces on Turkish soil, but the country's strategic position is important. Straddling the Bosphorus, it helps to pinch "the giant's nostrils," as Churchill once wrote. Further, the U.S. needs its bases in Turkey to monitor Soviet missile launches and would like to use the bases in way which Turkey at present

forbids, as staging posts.

Then there are economic considerations. Turkey'a 45m people make it a large market. The country's foreign debt reflects this, totalling over \$14bn, of which more than balf is owed to Western banks.

Yet what has been the West's response to Turkey's predicament? The answer is an object lesson in neglect. The result is a warning to both the West and other developing countries.

It took a particularly bloody massacre in Turkey, the pro-

clamation of martial law and, in particular, the advent of the Ayatollah Khomeini to make the West face the problems

which eventually came could bardly be described as emerg-ency. Between Guadeloupe and the formal pledging aession of the Organisation for Economic Co-operation and Development

seven months passed. The sums involved were reasonable, around \$1bn. But the aid was largely tied, depended OΠ Turkey being on good relations with the international Monetary Fund, and was slow to be made

cial bankers also lagged. When it did come it involved the rescheduling of Turkey's arrears at a rate extremely profitable to the banks, and over seven years —a term so abort that it is only a matter of time before the rescheduled debts will themselves bave to be rescheduled.

Battles with IMF

It bas to be said that Turkey has often been its own worst enemy. This was particularly true in dealings with the IMF. The Government of Mr. Bulent Ecevit which was in office between January 1978 and October 1979 failed to keep its 1978 agreement with the IMF. It was nnly after it had been in office 19 months that it finally reached fresh agreement last July.

Before this, Mr. Ecevit had frequently been involved in public battles with the IMF. But little of the spirit of its 1974 promises to bear in mind that the special characteristics of developing countries . . . make it difficult for them to being punished for "making. At Guadeloupe a year ago it achieve prompt adjustment tion. Industrialisation is prove tweotieth century.

friends with those who are not was agreed that emergency aid without seriously damaging with Islam." And Ankara looks should be given. Yet the aid their long-term development programmes.

> Indeed, when agreement was finally reached last year it was for a mere 250m SDR (\$320m). One-third of this was from Turkey's normal credit tranches the IMF's new Supplementary Financing Facility (the so-called was nothing from such other sources as the IMF's Extended Fund Facility.

Oo the contrary, at times Turkey seems to be receiving better aid from the Soviet Union than from its treaty

Turkey's politicians must sbare the blame for the crisis. The 1975-77 coalitions of Mr. Ecevit's right-wing rival, Mr. Suleyman Demirel could agree on little except profligacy. They left a tainted legacy to Mr. Ecevit. He claims to bave been let down in 1978 by Western financial sources. But throughout he appears to have overestimated the weight which the West ettached to his argument that his fall would be the fall parliamentary democracy. And Turkey'a strategic importance was less apparent than it has been since Christmas. However, this whole present

crisis is not a simple wrinkle in the process of growth. It is a long-term problem of Turkisb

society at large no longer fitting the clothes it once wore. The traditional economy and village values have been over-taken. The pains of shifting to ao increasingly urban society bave been aggravated by the inexorable growth of popula-

BASIC STATISTICS

267,812 sq. miles

Population 43,21m
GNP TL 1,228.6bn (£26.4bn)
Per caput TL 28,434 (£610)
Trade (1978): Imports TL 101.2bn (£2.17bn)
Exports TL 55.3bn (£1.19bn)
Imports from UK £110.57m
Exports to UK £64.57m

Currency: Lira; £1=TL 106.33

ing as traumatic a process as it did in Western Europe.

All this is raising the question of wbether the institutions imposed after the 1960 military revolution are still suitable. Also under challenge is what role should be played by Kemalism, the reformist philosophy evolved in the 1920s by Kemal Ataturk, leader of Turkey's war of independence against the British, the Greeks and others.

The immediate evidence is disquieting. Factious coalitions and minority governments bave dominated the recent past. Parliament has been unable to produce legislation. Where the other institutions are concerned. checks are more evident than

Necessary changes

One of the fundamental problems of modern Turkey is ow a society whose majority is traditionalist can be persuaded to accept the changes necessary for it to compete in the

Ataturk's solution was to impose these reforms from above. Mr. Ecevit is beir to the People's Party which Ataturk founded and, in Mr. Demirel'a readiness to

his populist way, to some of rely on the support of, and give Ataturk's methods. His achieve-posts to followers of the NAP ment in the early 1970s was to extend the base of the RPP, welding a coalition of the inconsequences. tellectual elite, many civil servants and the poorer Ministry of Customa being agricultural and industrial stormed by right-wingers trying workers. His tragedy in government was bis alienation of his Mr. Demirel's Justice Party

is the heir to the conservative values of Anatolia. These are bis origins and be is as sensitive to the mood of the amalholder as he is unable to grasp the realities of the factory floor. While liberal in economic terms, he is an old-style conservative, politically-reflecting the extent to which Turkish politics is distorted by the keeping of the communist party underground rather than in the open where it can be seen.

That the two men should struggle with each other is unavoidable. That they should do this so bitterly is regrettable. For years Mr. Demirel seems to have feared being outflanked on his right by the national socialist Nationalist Action Party of Mr Alparsian Turkes and the pro-Islamic National Party of Mr.

Necmettln Erbakan. Despite the general resurgence of Islam in the Middle East, the NSP seems unlikely to be a major force. But Mr. Turkes's activists are on the

rise, controlling whole areas of towns-and appearing too often court to face murder

has led to some disquieting the centre of Ankara witnessed the extraordinary sight of the to displace those who had been working under Mr. Ecevit's

Political stage

This is part of a wider prob-lem—that of the undermining of state efficiency by the whole aale purging of the civil service and state machinery by each new government. The last month bas seen the transfer or recall of the governors of each of Turkey's 67 provinces, the same treatment of 59 of the 67 provincial security chiefs, the sacking of 11 directors of the large state economic enterprises and even the replacement of the bead of the State Theatre. But it is also true that to a large extent Mr. Ecevit did the same.

In his first 54 weeks in office he changed 3,700 civil servants in the top four grades com pared with the 4.300 changes made by Mr. Demirel in the two years he was last in office. Mr. Ecevit is acutely critical

of Mr. Demirel for turning to the NAP for support when he himself had held out an olive branch to Mr. Demirel, But, as a new departure in the past ter days he has expressed willing-

Foreign policy EEC: the hopes in Ankara EEC: the fears in Brussels Fnreign debt Industrial survival **Violence** Arms smuggling Views on the USSR The Kurds Links with Greece VIII Islam in Turkey **Energy supplies** IX Emigration Labour relation Banking system Foreign tovestment Population XII Edneation Profile: Gen. Kenan Evren XIII Profile: Torgut Ozal Profile: Hayrettin Erkmen XIII Profile: Esat Kiratlingin Profile: Dr. Turker Alkan Profile: Aziz Nesin Overseas construction XIV Agriculture

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Stronger links with the West which were exaggeratedly interpreted to be designed to impose on Turkey a neutralist foreign and Iraqi Kurds to fight for a new defence treaty. that these well-known facts and the Far East will continue to the situation in Afghanistan will grow but—as in the past—slowly and without any drama.

FOR THE first time in 20 years the NATO Ministerial Council will this May be meeting on Turkish soil. The invitation was issued by Mr. Suleyman Demirel, the Prime Minister, before the Soviet invasion of Afghanistan. It underlines the priority goals of his foreign policy—to sort out Turkey's problems with the West, which have accumulated over the years, and to re-affirm its place in the Alliance. If anything, Moscow's Afghanistan

venture has stiffened his resolve. For the past six years in general and the last two in particular, Turkish foreign and the charismatic main opposition leader and Prime Minister for nearly two years until be was succeeded by Mr. Demirel. Foreign policy was the natural domain of Mr. Ecevit, a former student of Dr. Henry Kissinger but not as expert as the former U.S. Secretary of State in

In his long years in opposition he davoted a lot of thought to foreign and defence policles and put forward theories which were often more philosophical than practical and suffered from being not clearly defined.

Generally speaking, in foreign policy be advocated diversifica-tion. He maintained that Turkey was a Balkan and Middle East country and, while maintaining its ties with the West should concentrata on surrounding lt-self with a "ring of friendship." Being underdeveloped, Turkey should nurture closer ties with the Tbird World-particularly the Arah States from which cheap oil and economic aid could be got and participate in the North-South dialogue.

Mr. Ecevit also believed that the Soviet Union, prospering under a stable leadership, no looger harboured aggressive designs and coold not risk detente, from which it stood in gain more than the U.S. According to him, the West

owed generous military and economic aid to Turkey because it was a democratic State and for the beavy burden it was obliged to carry for the defence of the West. But his "national defence concept," advocating vague self-reliance and a smaller army, never emerged from the philosophical plane. To this day not even Turkey's generals

preted to be designed to impose on Turkey a neutralist foreign policy. It did not belp that Mr. Ecevit was sometimes impulsive in his applications, Perhaps his greatest misfortune was that he was in power at a time when Turkey was at its weakest economically, rent with social disorder and lacking that vital leverage in foreign policy which comes from strength.

This was particularly con-spicuous in his dealings with tha West, when on the one hand he demanded substantial credits and investments and on the other threatened to "scale the defence theory has been in other threatened to "scale the fluenced by Mr. Bulent Ecevit, wall" if these were not forthcoming. The West came forth in its own good time and under its own conditions, creating in Mr. Ecevit a still lingering sense of betrayal and bitterness.

Mr. Demirel's intention appears to be to clear the clouds. He is stoutly pro-West. and vehemantly anti-Communist. but pragmatic in bis dealings with both camps. He does not bring what a Western diplomat has called Mr. Ecevit's "intellectual fascination" to the subject but has the benefit of experience which his predecessor lacked

Turkey's domestic problems will claim so much of his time, so that foreign policy will generally play a secondary role. Turkish policy on such major issues as Greece and Cyprus will be a holding action (Visa-vis these two questions, which are dealt with extensively elsewhere in this survey, Mr. Demirel believes that Turkey cannot obtain concessions in its present state of weakness, which hoth Cyprus and Greece want to perpetuate if not desiring to exacerbate). There were not more than a conple of paragraphs in his minority Government's programme on foreign policy.

The continuing convulsions in Iran and the Russian invasion of Afghanistan pose a direct threat to Turkey's own stability and integrity.

Ankara was almost sorry about the post-Shah develop-ments in neighbouring Iran than the U.S. Turkey is keen that Iran remains an integral country outside the Soviet sphere and eventually attain stability. Secession by the Azerbaijanis and the Kurds in not even Turkey's generals know what it entails.

Wide experience

Although basically a pro-West intellectual, Mr. Ecevit created a intellectual, Mr. Ecevit

The Soviet incursion into Afghanistan has been interpreted by the Turkish Government as showing that Moscow has no qualms about invading its Near East satellites, a fate which they fear could befall an Azerbaijan or Iranian Kurdistan.

It was no surprise, therefore, treaty.

that soon after the invasion Ankara is now hoping that Afghanistan, Ankara speeded the situation in Afghanistan in its negotiations with the will emphasise Turkey's strategical strat that soon after the invasion of Afghanistan, Ankara speeded up its negotiations with the U.S. on their new Defence Cooperation Agreement (DCA). The negotiations, begun under Mr. Ecevit, had been dragging on for nearly a year. They were concluded earlier this month when President Carter sept İΟ empowered to take political decisions without consulting Washington.

The DCA is expected to epen new chapter in Turkish-American relations, which went steadily downhill after Turkey sent its army to Cyprus in 1974. Congress, prompted by the Greek lobby which the Cyprus war created, imposed an embargo on arms supplies to Turkey. Turkey retalizted by suspending the activities of its American bases, which are electronic in nature and spy on military activities in the

allowed the bases to go on the It appears unlikely, however.

operate, American military and economic aid and investment in Turkey's armaments industry. The Turks are expected to get around \$450m a year under the

tegic importance in the eyes of the West and focus the latter's attention on the weaknesses of Turkey's defences. Turkish defence capability

has been seriously weakened by the American embargo and the inability of the country to allocate large sums of cash for arms purchases. The Turkish arsenal is basically of World War II vintage with the exception of 80 Phantoms and small number of new destroyers and submarines. With 500,000 men under arms. Turkey has the largest standing army in the region outside the USSR. But it is two genera-tions behind NATO and behind the neighbouring countries including Syria, Iraq and even Bulgaria. Over the past year the army has also suffered from on military activities in the the need to deploy large Soviet Union and the Near East.

President Carter lifted the martial law provinces, where embargo in 1978 and the Turks half the 4.5m population lives.

Even if there were proposals for such aid it might be hlocked by the Greek lobby, which is still alive and kicking. It is more than likely, in the

circumstances, that barring tha disintegration of Iran the Turkish army's modernisation will have to wait for the normalisation of the Turkish economy.

Arab pressures

Under Mr. Demirel Turkey's ties with Arab States are expected to continue to improve. The slant in this respect will be economic since Turkey does not want to be embroiled in either the Middle East conflict or inter-Arab squabbles and has pru-dently resisted diverse Arab pressures to be drawn in Ankara believes that Israel should withdraw from the Arab retritories it occupies and Palestinians should be granted the right to form their own States. After years of vacillation Turkey in 1979 allowed the Palestinian Liberation Organisation to open an office in Ankara. But it will not go much further. Also under Mr. Demirel Turkey's links with the Third World and the distant countries

of Africa, South America and

a new desence treaty.

The new DCA is for five years and consists of a foundation agreement supplemented by three annexes on the rules under which the hases will also be the property and the pr

sensus. Inis is no amore so.

Mr. Demirel can be said to
represent the traditional proWest line. Mr. Ecevit, who will west inte- and time reconcile him-self between the philosophically exciting and practically feasible is for the multi-faceted foreign Other elements are added by

other party leaders who repre-sent smaller but none the less important segments of society Professor Necmittin Erbakan the pro-Islamic politician, is in favour of closer ties with Arab States and dreams of a coa mon market and commo currency for the Islamic State Mr. Alparsian, Turkey's ultra Right Wing exponent embodies the ideal of uniting all Trains under one flag something which arouses uneasy feelings throughout the region where Turkish or Turcic minorities

Mr. Demirel's minority Government is supported by these two men and their views cannot be entirely disregarded Similarly, changes of government will entail more changes in general foreign policy although it may just be of style or emphasis, than was true before the mid-seventies.

Metin Munic

EEC: the hopes in Ankara

WHILE IN opposition Mr. tude towards the Community. Suleyman Demirel, the Turkish Many were hostile. However, Prime Minister, once said that the social and economic upas soon as he came to power heaval which started in 1977

do so, as a Common Market for Turkey and economically official put it, "bas not entirely for themselves. They suggest receded."

So far, Mr. Demirel has sent years. Mr. Hayrettin Erkmen, his foreign minister, to Brussels cial and business attitude is by and withdrawn the freeze im- no means a guarantee that the posed by his predecessor, Mr. Turkey-EEC problems will be Bulent Ecevit, on Turkey's any easier to solve. obligations to the community of Mr. Demirel's 1980 which it is an associate member. The upshot is that the hluntly states that, in their Turkey-EEC Association Council is likely to meet during the agreements "are in contradiccourse of this year to make a tion with Turkey's industrialisa

year for the first time since 1976," when the crisis erupted, says a Community official, cautiously crossing his fingers.

Demirel's attitude. The pro-private enterprise politician, who is planning to effect an overall improvement in his country's relations with the West, has decided to seek a compromise with the Nine. In Brussels, Mr. Erkmen told the Community that his Government was prepared to solve the problems through negotiations and would prepare proposals. "This year we intend to make

a serious effort to review our relations with the EEC in view of Turkey's development strategy and the problems it is encountering, with a view to improving these relations," said a Turkish official. Mr. Demirel's approach is

backed up by big business in Istanbul which went through a radical change of heart over the Community in the past two years. Seeing full membership or even close association with the Nine a threat to their dominance of the captive local market, Turkish industrialists were of two minds in their atti-

he would apply to the Common appears to have led them to the Market for full membership.

"The danger" that he may be a useful anchor politically

However, the change of offi-

gramme of economic activity fresh attempt at appeasing tion targets and the measures it Turkish grievances and normal is obliged to take to solve the "We could have a fruitful from the start there has been ar for the first time since an imbalance between the concessions that Turkey granted to the EEC and the concessions it got in exchange . . . Turkey-The Community appears to be EEC relations must be given a favourably impressed by Mr. new shape, eliminating the new shape, eliminating the drawbacks of the current rela-tionship."

Main points

Simplified, Turkey's griev-ances with the Community centre around these points:

 Privileges granted by the Community to Third Countries have eroded the concessions pos-sessed by Turkey in the field of agricultural exports to the Nine. • The Community has imposed restrictions on textile imports from Turkey, forcing Ankara to conclude that other Turkish industrial products which may become as competitive as textiles stand in danger of being denied nnobstructed access. In view of its serious

economic problems Turkey should not be expected to continue lowering its tariff barriers to goods from the Nine as originally programmed. Turkey requires that its workers be allowed free circula-

tion in the Community as previously arranged but subse-

A vital ally

CONTINUED FROM PAGE ONE

ness to form a coalition with Mr. boneymoon could end stormily. Demirel and the two have met. His major immediate problem in discuss legislation to tackle is the need to take fresh aus-

It is a beginning—and one which has only happened because the armed forces bave demanded it. Their warning to the political parties, issued three weeks ago, has evoked memories of how Mr. Demirel was forced out of office by a military ultimatum in 1971 and of bow Adnan Menderes (whose political heir Mr. Demirel to some extent is) was was overthrown by the military in 1960.

It seems that the Turks are still some way short of these two previous experiences. The armed forces, already involved in administering martial law, are genarally believed not to seek a more prominent role on the political stage. For his part, Mr. Demirel has since gone far to showing that bridges between the military and the civilians are not broken.

In narrow political terms, Mr. Demirel's apparent aim is to survive until the Spring, hy wben he bopes to have the Sabri Caglayangil, one of his party's elder statesmen, elected as President of the Republic and by when the weather will allow fresh elections.

terity measures as the IMF and Westero hanks require. He and his economics co-ordinator, Mr. Turgut Ozal, produced a success ful package in 1970. Something similar is expected now.

In many ways he is luckier than Mr. Ecevit. Tha latter had

finally won most of the tradi-tionally xenophobic elements in his administration to accepting the needs for opening the long-closed Turkish economy. It had been a rugged battle but it has meant that there is likely to he less opposition to the changes that Mr. Demirel proposes—and the IMF and OECD want—than would otherwise have been the case.

But it can be asked whether this change will suffice to set the economy to rights. So far each time the Turks seem about to get on top of their problems a new rise in oil prices knocks their calculations off the table. All their export earnings go to buying the oil which keeps the country's power stations, factories and vehicles turning.

In this important sense its problems are those of numerous developing countries. Its lesson is a worrying one, that political uncertainty and massive debt fresh elections.

He needs elections soon. Last brought on by these prices rises.
October be won a convincing 48 And that the West has no real per cent of the vote but his mechanism to handle this. quently rejected by the Community.

 A method should be found to ensure that Turkeys' interests are not harmed by Greece's accession into the Community and a mechanism be set up to allow Ankara in decision a transition period of around 10

• The Community must be generous in financial assistance to support the Fourth Five-Year. development plan which went feasible could force the hand into effect last year.

of the Community as it cannot

Proposals and counterpro be rejected outright and bring posals have failed to bring a new dimension to Turkish about a mutually acceptable EEC problems: compromise on these griev-ances. On most points, the

Turks are justified either his their circumstances or, as in the case of the free circulation of workers demand their treaty rights. The Community finds stances — growing unemployment, the vulnerability of their textile industries, the touchiness of agriculture and the

expansion of the EEC.

A Turkish demand for full membership, not economically

Metin Munir

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URKEY'S ECONOMIC prob-lems are so dire that logic suggests that politicians of the two main parties set their dog-matic differences aside and work out a bipartisan approach. In this context alone, the demand by the armed forces' generals that there should be closer cooperation, are more pertinent than in any other sector except violence. If comfort is to be drawn from the protracted economia crisis, it is because it aking a radical change m policies and for imposing a scipline which had been lack-

The problems themselves can be defined without difficulty. Their solutions depend on Mr. Suleyman Demirel, the Prime Minister, taking some acutely unpopular measures, which may in any case be virtually impossible for a minority govern-ment. The problems fall broadly into the following categories:— An energy crisis which means. according to Central Bank Demirel who has issued the real estimates, that if exports are promises in this direction. maximised this year at \$3.5bn they would at best only cover the import of crude oil and petroleum products. This highlights the chronic shortage of foreign exchange and the balance-of-payments deficit. The need to meet the requireents of the IMF, in particular ticular petrol.

those for a 40 per cent devalua-tion of the Turkish lira for credit control and for limiting the public sector deficit. The Economic Enterprises (SEE) incurred deficits in 1978 amounting to TL 100bn • The need to reduce the heavy

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short-term debt hurden. • The low level of investment in industry. Officials at Koc, the largest private sector holding company in Turkey, say that in the last two years they have been unable to start a project of any reasonable size because uncertain political and economic atmosphere; also due to a shortage of foreign curinsufficient working capital to offset inflation; and a shortage of materials. • The lack of foreign invest-

ment. According to balance of payments figures, foreign invest-\$154m in 1975 to \$47m in 1978. During the first seven months of 1979, it reached only \$15.4m. The parallel economy—whose foreign exchange dealings may be larger than those of the official economy - and the age it to integrate, or to leave it to operate with its current figures this year's target of 8.2

stimulate domestic producers to turn away years from a rate of 25 per from the home market in cent in 1976 to 75 per cent in

favour of exports and activities abroad. So far, apart from textiles, only the construction industry with more than \$2bn work in hand in the Middle East has shown any such enterprise.

All these make an appalling complex of problems. When Mr. Bulent Ecevit's Social Democrat Government took power in 1978 it found Turkey's resources bad been squandered and the country was living beyond its means.

Foreign investment

But in an admittedly difficult situation, Mr. Ecevit lost a year before eventually coming to accept the barsh terms of the IMF. By the end of his time, be was preparing to impose a more liberal policy towards foreign officials who had not been converted to this. But it is Mr. Specifically, he has pledged to attract foreign oil companies to explore for oil in Turkey. Some

prices have already been raised —margarine and cooking oil by between 50 and 100 per cent and cement by 40 per cent, and more are promised, in par-

Above all, Mr. Demirel bopes encourage exports, and to relax import restrictions to permit the prices of such basic products as iron and steel, ment, chemicals and petrochemicals-vital for a run-down industrial sector—to reach market levels.

The Demirel Government's more liberal approach would seem to be emphasised by the appointment of Mr. Turgut Ozal as under-secretary of the State Planning Organisation, and a key economic adviser. Mr. Ozal held this position from 1967 to 1971 when many foreign companies succeeded in forming joint ventures in Turkey. The decline in Turkey's

economy is clearly illustrated by the growth rate in the GDP. Between 1963 and 1976, the economy averaged a respectable annual growth rate of 6.9 per cent. But by 1977, the start of the current recession, it had fallen to 4 per cent. The fol-lowing year k had fallen further to 2.7 per cent, and in 1979 it reached only 2.4 per cent, with agriculture growing by only 1.1 per cent and industry by 2.2 per cent. In the light of these

effectiveness, but outside direct per cent can only be described government control.

per cent can only be described as somewhat optimistic. Inflation has soared in recent

the final quarter of last year; the prospects of there being a slowdown in the short term must be unlikely. First, enforced price rises are bound to accelerate inflation, and this politically must be one of the riskiest of the IMF's demands for Mr. Demirel's government.

Second, if, as has been reported, the budget for the fiscal year 1980 (which begins on March 1) results in expenditure TL 739.1bn (\$15.7bn) this will mark an increase of 82 per cent over the 1979 budget of TL 406bn (\$8.6bn) and further fuel inflation, even though in dollar terms after the lira was devalued 45 per cent in June last year and further re-adjusted in December downwards against ten major currencies in a helated move to realign

the lira's cross rates. Third, this winter's round of wage negotiations involves many of the major 24-mouth contracts and will add further inflatiouary pressures. In May last year, the minimum wage was raised by 63 per cent to TL S.400/month (\$116.4). Although the balance of trade

has been improving, the balance of payments generally cootinues to be burdened by debt servicing. This is depite some success getting debts re-scheduled. The trade balance has improved from the deficit in 1977 \$4.04bo (composed of exports of \$1.76bn and imports of \$5.80bn) to \$2.31bn (exports \$2,29bn and imports of \$4.60bn). The IMF bas calculated that the deficit last year would be about \$2.25bn in part due to exports reaching \$2.75bn as a result of export formalities being simplified and tax rebates on the export of manufactured goods. Many exporters appear to understate the value of exports so as to build up funds abroad.

Last summer. Tusiad, the

Turkish Industrialists and Busi-

nessmen's Association underlined the problem of Turkey's balance of trade by calculating that Turkey's minimum import requirements at present are \$5bn, of which the chief components are oil. \$1.7br. machinery \$0.9bn, and iron and steel \$0.67bn. This could be cut to \$3bn by increasing unused industrial capacity in industry and the SEEs, by attracting workers' remittances and easing the import of essential goods through "a realistic foreign exchaoge policy."

trade. deficit being reduced since then declined to \$0.96bn remains highly remote.

Yet even without the trade descit—and the current account between the official exchange deficit, which was reckoned to reach \$2.2bn last year and to rise further to \$2.5bn this, and despite the rescheduling of bts, the balance of payments debt servicing. According to the IMF, total

external debts in May, 1979, amounted to \$14.2bo of which (including of fund credit) accounted for previous year). \$8.5bn. The debt service, \$1.87bn to \$2.2bn this year, could eventually reach \$3.55bn in

prices alone; the chances of the peak in 1974 of \$1.42bn but have

differences

and the free market rate, a large proportion of workers' remittances has been transferred through unofficial channels. TUSIAD calculates this at will remain burdened by heavy \$2.08bn between 1973 and 1978. However, remittances, officially recorded, bave risen again, so that during the first eight months of 1979 they reached \$1.3bn (compared with \$0.53bn scheduled arrears and the use during the same period in the

These missing billions focus last year, and expected to rise attention on two fundamental questions: given the dismal 1983. The IMF puts the financing gap for this year at \$10n.

If there is an encouraging future, how has it managed to area in the balance of paymeots keep going? The short answer to

Second, should or can this system be absorbed into the formal economy or left to func-tion outside the legal para-

meters of the Government's writ? This unofficial economy is no secret—and, because of its pro-portions, could not be. It has figured in negotiations between the IMF and the Turkish Government. The problem is that were it not in existence private sector operations, particularly in industry, would be at a much lower level than they are

to "double financing" to pro-vide imports, which might have totalied \$2bn in 1978. The full proportions of tha parallel economy cannot be, for obvious reasons, quantified. But on the basis of official and unofficial sources it is reasonable to estimate that "illegal"

already. Most companies resort

ing mainly gold, industrial raw materiala and arms. Remittances of workers, not passing through the banking system, probably equal official estim-ates, somewhere in the region of \$1.5bn. A similar sum is being earned through under-estimated exports of such items

as food and sheep on the boof

(particularly to Syria). What could be called loosely "services." under more formal nomenclature, probable gun-running and drug-trafficking-earns anything between \$0.60n and \$1.5bn a year. Thus, un-official earnings, even on con-servative estimates, would amount to \$4bn, more than enough to cover the balance-ofpayments deficit forecast for 1983. Yet it la almost inevitable that any attempt to "legalise" these activities would reduce

But this calculation has been it should have been workers is because of the parallel imports could now be running cases drive them further under undermined by the rise in oil remittances. They reached a economy.

as high as \$4bn a year, comprise ground while industry could not be running cases drive them further under undermined by the rise in oil remittances. as high as \$4bn a year, compris- ground while industry could grind to a halt. Turkey bas been seeking, with

only limited success, to be recognised as e Moslem developing country without oil resources and to be rewarded as such with concessional terms for buying the oil it requires. But Turkey's economic im-provement lies perhaps in a more formal encouragement of with the more predictable con-clusions reached by the IMF that exports should be stimu-lated, that domestic economic policies should be tailored (specifically in the public sector) more closely to match demand at bome, above all, these policies, politically difficult at any time, should receive international support in the form of aid and concessions

or debt repayments Anthony McDermott

EEC: the fears in Brussels

AS THE new decade begins, Agreement of 1963. Turkey's often tronbled rela-tions with the European Com-has not been as consistently munity are once more at a supportive on economic issues delicate

crossroads posing choices for both sides. Ten years ago it seemed that the signing of the Additional Protocol to the 1963 Association Agreement promised important progress towards the goal of customs union with the EEC, and perbaps full membership of the Community. But recurrent economic and political instabillty in Turkey on the ooe band, and recession, inflation and alow growth within the Community on the other frustrated most of those hopes. Now it has been agreed that

both parties must sit down again and recast a relationship which can lead to the modernisation and economic rebabilitation of Turkey and the cementing of its political ties with Western Europe. Bot for the EEC the choices remain as difficult as ever.
At a time when Afghanistan

has plunged East-West relations into an icy bath, the Nine are more anxious than ever to ensure an economically and \$800m was an offer politically stable Turkey made \$195m over five years. as immune as possible to Russian pressure of any kind. This has been a constant aim which, from

In practice, bowever, the EEC as it might have been, partly because the growing economic problems of its members bave limited the accommodations which they might have felt able to make. At the same time, Turkey itself has not proved up

to the job of modernishing its

economic and industrial struc-

ture sufficiently to meet its

obligations under the Associa-

tion agreement. In essence this offered the prospect of ultimate free entry into the EEC of certain Turkish agricultural exports-to which vere added in 1970 all Turkish industrial products except tex-

tiles and petroleum products. But this Additional Protocol was not as balanced as both sides claimed at the time, since Turkey accepted the abolition of all of its tariff barriers within a given period while EEC concessions on agricultural products were restricted by fears of their impact on the Common Agricultural Policy. Moreover, the Community's response to a Turkish request for a loan of \$800m was an offer of only

Thereafter the association be came bedevilled by Turkey's Internal problems, the enlargethe Western European point of ment of EEC itself and the view, underplaned the Ankara development of Community

Statesiterranean which diminished Turkey's preferential status. Greece's application for membership, which will become effective next January, has heightened Turkish fears about the outlook for its relations with the Community.

But under the new administration of Mr. Suleyman Demirel. anxieties about the impact of Greek membership on Turkish interests have produced in the past few weeks a policy switch of potentially great importance.

More concessions

In 1968 Mr. Demirel's predecessor, Mr. Bulent Ecevit, laonched an Initiative to hreathe fresb life into Turkey-EEC relations on the basis of freezing for five years the tariff cutting obligations iocumbent on Turkey. At the same time Turkey asked the EEC for more concessions for its agricultural exports and for a reduction of restrictions on imports of its. Turkish application for full textiles and refined petroleum membership. With Greece joinproducts. Greatly increased financial aid was also requested totalling around \$8bn.

Diplomatic wheels months. No final agreement was reached on the basis of the EEC's offer to accept the sus-

arrangements with other Med- a period of five years. Turkey's move incentive to agree was gravely weakened by the EEC's parallel insistence that the dismantling relations. of Community agricultural tariffs could only be revived after the five-year period was over and Turkey had resumed its obligation to eliminate barriers to EEC industrial pro- tions of the entry negotiations ducts. On the financial side the EEC was willing to offer special aid worth around \$100m.

> December bis Government informed Brussels that Turkey was withdrawing its request for a five-year standstill on tariff dismantling. This has obviously removed the basis of the Community's proposals and the two sides will now have to negotiate new proposals during the

coming months. There is a view widely beld Brussels that the Demirel initiative could be the last chance for reviving the Association with Turkey short of a ing next year and negotiations Finally, there is the question of under way on the membership financial aid and although of Spain and Portugal, the prospect of the addition of Turkey. ground slowly over the last 15 with all of its economic and political problems, is not one likely to excite the Nine.

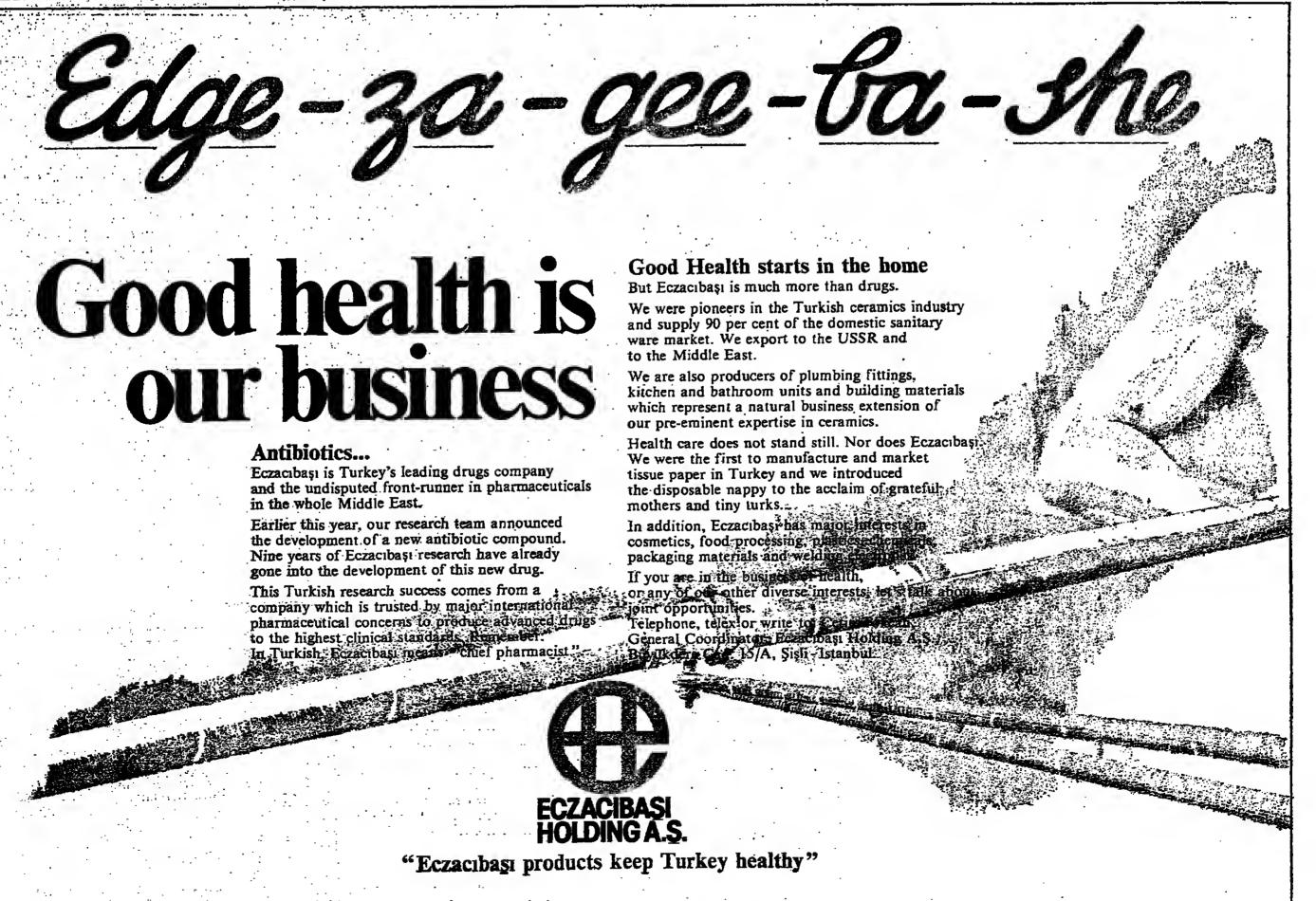
pension of tariff reductions for accommodate Turkey appears

greater than ever following the deterioration in its domestic problems and in East-West

The 'timing, bowever, could bardly be worse, since in the next few months the EEC will be trying to grapple with the sensitive argricultural implicawith Spain, France and Italy in shout the impact on their Mr. Demirel was clearly not Mediterranean farmers of the bappy about the outcome of his participation of Spanish citrus predecessor's ioitiative and last and olive oil products in the Common Agricultural Policy. Turkey will be looking for greater access to the Nine for these and other products and so the European Commission Is unlikely to be allowed much negotiating room for manoeuvre.

The situation appears even more delicate in the area of the free movement of labour, where West Germany, already host to a large contingent of Turkish guest workers, is anxious at least to maintain the status quo and is certainly not in favour of greater liberalisation as required by the Ankara accords. Ankara would like more than the \$100m on offer, it is already undertaking to submit projects which the EEC could fund up

John Wyles



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tio.

"TURKEY CAN borrow a little more. Currently, we owe \$12.5bn and can undertake to pay four times that amaunt. We will bor-row. repay and Turkey will develop. If we cannot bear the inconvenience of debt, Turkey will develop after 3,559 years. Wha wants that?" —Mr. Suleyman Demirel, the

Turkish Prime Minister.

Struggle to service foreign debt ONE OF the favourite themes

of Mr. Demirel, the Turkish Prime Minister is development through borrowing — "the whip," as he once put it, quoting a Turkish proverb, "which makes a brave man run faster." The problem is that while making good economic sense for

Turkey to borrow, the same is

not true, at least for the time

being, for lenders. Heavy short-term borrowing in the two years preceding the crisis of 1977, subsequently coupled with a critical, oilinduced balance of payments position, bas made Turkey one of the least credit-worthy countries in the world. It is, in fact, becoming clear to both Turkish

officials and Turkey's creditors that Ankara may be unable to service its foreign debt despite the massive relief operations of the past two years.
The International Monetary Fund (IMF) and the Organisation of Economic Co-operation As and Development (OECD) Hakki

from \$1.87bn in 1979 to \$3.55bn more than a ratio of 20-25 per in 1983, excluding debt relief.

Total cash payments after debt relief was \$1.1bn in 1978. Debt service payments are

expected to rise to \$1.96bn in 1980, according to the Government's balance of payments projection. This will put a continuing strain on the balance of payments, despite an expected 30 per cent rise in export revenues and a surge in expatriate workers' remittances and other invisibles. The IMF estimates that a financing gap of well over \$1bn will remain, even if imports are maintained at tha 1979. The situation is grim.

Aydinogin,

payments position will be extremely burdened by a heavy foreign debt service in the early 1980s.

The debt service will rise from \$1.87bn in 1979 to \$3.55bn

The debt service will rise from \$1.87bn in 1979 to \$3.55bn

The debt service will rise from \$1.87bn in 1979 to \$3.55bn

The debt service will rise from \$1.87bn in 1979 to \$3.55bn cent without severe strain, and that the Government should

work towards this target. The Turkish debt bas brought about the biggest consolidation effort in history.

The first debt relief agreement was reached under the aegis of the OECD in May, 1978. It embraced \$1.14bn in arrears on guaranteed short-term commercial arrears and medium and long-term debts. A second re-scheduling of about the same order of the official bilateral and private guaranteed credits took place in July, 1979. A third major re-scheduling agreement was concluded with commercial banks to re-As explained by Mr. Ismail lira deposits banker's credits tha and third party re-imbursement

Some \$1.8bn in arrears to foreign suppliers not covered are still hanging in the air. This in programme loans from Libya pliers credits and possibly for-overhang of debt has been a and Iraq, and for oil importing eign investment, will be continby export insurance agencies major source of difficulties, as it has dried up the normally available export credit and forced Turkey to import largely on cash terms.

Diverse sources

Various options are being considered for consolidating this debt But the Government is dragging its feet because it believes that most of this debt has already been repaid by Turkish importers through their external accounts.

Along with the debt restruc-turing operation the Government has obtained medium and long-term funds from relatively

diverse sources. The most important of these was pledged by OECD member-

A total of \$547m was secured An agreement was reached with the Saudi Development Fund for \$250m in project credit. Pro-gramme type agreements were made with Romania and the

USSR. report looking at Turkey's medium-term prospects concludes that Turkey's external debt problem will be "a major subject for policy concern, even in the medium-term."

The bank estimates that the total outstanding debt will increase from \$14.1bn in 1979 to \$19.Sbn in 1985.

service ratio indicate that the with a request for further debt balance of payments situation

bilateral credits, trace managements what extent Turkey was credits and programme loan what extent Turkey was credits and programme loan what extent Turkey was credits and programme loan what extent Turkey was credit to attract long-term funds, especially of a concessional type. Medium-term private capital inflows, such as Enroloans, supgent more upon actual improve-ment in economic performance rather than npon promises

thereof. Continued improvement

in economic management, therefore, appears to be a precondi-A confidential World Bank tion for the revival of these In view of these factors, says the report, the management of the external debt remains critical

financial viability and hence to the availability of imports needed to permit resumption of growth. Of more immediate concern

The very high gross capital is the likelihood that Turkey's requirements and levels of debt creditors may be confronted will continue to be difficult, not request was tried on M. Emile

that the debt relief must be supported with fresh loans it the Turkish economy were to

hope to recover. "Turkey needs help," said Mr. Turgut Ozal, Mr. Denniel's top economic advisor, "not con tinning help. We want com friends to help us up. Then we can walk by ourselves."

Mr. Demirel himself appears to be industried by the seriousness of the situation and is looking forward to head credits with optimism.

"I believe," he said, reading
his Government programme to
Parliament, "that we can being
about a regular flow of the
huge financial resources. accumulated in the petroleti exporting countries and international banks and pi them at the disposal of our development."

agree that Turkey's balance of Governor of the Central Bank, claims, totalling \$2.4bn. The RABAK THE LARGEST ELECTROLYTIC COPPER AND COPPER ALLOYS AND ACSR PRODUCERS IN TURKEY AND THE NEAR EAST A leading authority on copper alluys, aluminium products and ACSR....at your service in TURKEY since 1957 Manufacturer and Exporter of : ELECTROLYTIC BRASS ALUMINIUM COPPER Wires Centrifugally Plates Sheet Ingots Wires ■Rods . Cast, round full Stranded Wires •Sections Sections and Sheets Rods ● Tubes Bushings Billets Sections Etc. Wire rods GOLD COPPER Tubes Wires SILVER Stranded Wires Flats, etc. STEEL ASC and ACSR Galvanised Conductors Aluminium accessories for Steel Wire ASC and ACSR conductors For your inquiries please write to: ELEKTROLITIK BAKIR VO MAMULLERI A.S. Head Office : Inont Cad. 90/5-6 Taksim-ISTANBUL-TURKEY P.O.B. 447 Beyoğlu - Istanbul L Telex: 22465 Raku-Tr. Cable : Rabakas - Istanbul

Key to industrial survival

EVERY FEW months or so since the beginning of the Turkish crisis in 1977, predictions have heen made that industry would grind to a balt in a few months, owing to the shortage or total lack of imported items. Although industry has been (and is) grinding with painful andibility, production bas not halted and is not likely to do so owing to the fact that, like the show, business, too, must go on, regardless of difficulties.

"If one looks at the economic indicators on paper, it seems that Turkey went bankrupt three years ago," says the pres-tigeous Turkish Industrialists and Businessmen's Association (TUSIAD) of Istanbul. However, if one studies facts in Turkey, it will be surprising to find out that the economy is still moving, despite the fact that the Central Bank has not been able to transfer any foreign exchange for more than two years.

The reason, says TUSIAD, is of economic collapse."

TUSIAD, which ought to industrial production still exports of manufactured goods actually increased in the past two years. Industrial exports went up from \$621m in 1978 to an estimated \$880m in 1979.

Industrial production, which went up by 2.7 per cent in 1978, There are also legal ways in grew by an estimated 10.4 per cent in 1979, when consumer goods output went up by 5.6 per time to time, been able to afford the control of t cent, intermediary goods by 14.3 per cent, and investment goods by 16.2 per cent.

Part of the secret behind these figures lies in the existence of a "parallel economy," which is booming, while the "real economy," as it appears in the official statistics, seems on the verge of coming under an obituary column.

It is estimated that in 1976 alone the "trade volume" of the parallel market, which is of course highly illegal, amounted to more than \$4bn, and, unlike the accounts of the Central Bank, which showed a to meet their import requiredeficit of some \$3bn was in ments, from barter to banking almost perfect balance, with on long years of good and profit



Mr. Sakip Sabanci and Mr. Rahmi Koc (right), industrial leaders of Turkey's formal economy, Mr. Sabanci is chairman of the huge Sabanci group; Mr. Koc is president of the executive committee of the Koc group.

imports estimated at \$2,060m able relations with their suppliers. and exports \$2,035m. The wages and savings of

Turkish workers in Europe rosy as it might appear in the constitute the biggest source of TUSAID statistics. The ways revenue for the parallel market, which many Turkish businessthat Turkish businessmen "have long been accustomed to living in a state of economic crisis." Its inflow is regulated by the in a state of economic crisis." Its inflow is regulated by the During every decade, Turkey so-called "Tahtakale Central" has seemed to be on the verge Bank" (Tahtakale means Bank" (Tahtakale means man Demirel (uttered when he wooden castle and is the name was in opposition) into "sieves" of an Istanbul business district, know, states that while capacity adjoining the Golden Horn), utilisation is "quite low," total which is run by about seven "bankers." - Considerable sums accumulate abroad through such phenomena as under-invoicing of exports, smnggling across the

border with Syria, Iraq and

Iran, plus other earnings, such

commissions which are retained abroad. to make transfers for the im-ports of private industry, al-though in small amounts.

Exporters of industrial commodities are able to retain 50 per cent of their earnings from export proceeds for their impor-needs or for the needs of comthan theirs. It is also possible to obtain Central Bank financing on the basis of firm export orders...

Apart from these, there are countless imaginative ways in which Turkish businessmen, whose resilience and acumen are remarkable, bava been able



The picture, in fact, is not as

men have been forced to resort, in order to keep going, has turned some Turkish customs

posts, in the words of Mr. Saley-

was right.

Bribery has become rise Tax evasion, already vast, this reached even greater property.

might allegedly pass, if the paid

through which any come

was right.

tions as illegally financed imports or their local purchase cannot be invoiced. Similarly every parallel market dollar costs at least three times more than the official rate, fuelling inflation which is creeping

towards 100 per cent. The Government will somer or later have to repair the moral damage of the crisis and incorporate the parallel market into he taxable economy, as turning a. blind eye on dishonesty and crime of the proportions now prevalent, cannot be tolerated, indefinitely. The proposal put forward by the IMF, OECD and the World Bank is to liberalise the economy and adopt a more realistic parity for the Turkish lira something more easier said than done under Turkey's conditions. However, Mr. Demirel has promised to liberalise the Turkish economy. It remains to be seen how far

M.M.



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THREE DEATH lists have just been found by the Turkish police. Two, prepared by the militant Left, included politicians, bank directors, busine men and journalists. The third, prepared by the militant Right, contained professors, the head of the Islanbul Bar Association, policemen and a famous writer. The organisations may agree on tactics, but there is an important difference between them that while the Laft-wing ones are justly persecuted, the Right-

wingers have what can politely be called a degree of govern-mental acquisscence. Mr. Suleyman Demirel gave an indication of his own thinking on the matter when he told a meeting of university rectors that, whereas the Communists were out to destroy the State,

the Right-wing militants wanted to reinforce it. His view ls His view ls hotly contested, but an awareness of it is crucial to understanding the gravity of the problem Turkey faces. nirbing. During the 22 months epace.

of the Ecevit government, 2,444 nesrly 10,000 people were injured in political violence. Since Mr. Demirel took over, the rate seems to bave increased. For five years the trend has been ever upwards in what seems a creeping civil war.

unemployment high and many households having to survive the snow, without means of heating. But that violence is the country's main problem is the one point on which there seems a national consensus.

Antagonisms exist on several levels hetween Right and Left; between the two main Islamic sects, the Suntils and the Alevis (who correspond to Shi'ites); and between the Turks and the other races of Anatolia, the Lazs.

and the Kurds.
The tension has altered the hole tenor of life. Cafes divida party is to be found most brands mitically. Rasteurants and right clubs throughout Anatolia ere : closing as less and less people dare go ont at night. Entire sections of towns have become closed to their opponents. The Right live in the streets above us and the Left below us: we are in the middle," one judge" says of his subnrb in Ankars. A by the Istanbul Martial Law journalist, such as the radical Ugur Mumcu, of Cumhuriyet, will calmly slip his 15 Kurdish groups. Most parties gun into his desk during an and groups are banned by a

merk-

37.05

. .

a gendarmerie guard on each hank and at each university, you might expect that some pe would feel reassured. But there is little faith in the deeply-politicised police sometimes assigned as bodyguards. Instead, there is an all-pervading fear of who will be struck next. So developed is this that one treats as commonplace stories such as that of a 15-year-old boy beaten up three times in the past three onths by Right-wingers whose fellows killed his father a year

Dislocated society

The explanations for this rowth of violence are various. Some Turks would explain it by traditional society as villagers have flooded to the cities, as barter bas been overtaken by the market economy and es The mere numbers are dis-industrialisation has proceeded

Others present the problem in people lost their lives and traditional terms arguing that nearly 10,000 people were in underneath the vencer of parliamentary politics lies the solid wood of the tribe and that today's violence is the vendetta in modern dress.

Then there is the suggestion The economy is wretched reflection of the economic crisis. of the unemployment and the inflation.

But into all these strands can be woven a political thread. In the 1960s, the Left began to group after years of repression. Mr. Demirel, who was then Prime Minister, responded, in part, by using the State machinery and in part, by condoning squads of right-wing activists. To many, the present situation is that earlier one; writ large.

Few of the actors bave clean hands. Left of Mr. Ecevit's of Marxist-based programme known to non-Turkish man, and a few additions as well. recent survey by Aydinlik, the newspaper of the pro-Peking Turkish Workers' and Peasants' Party, listed 49 parties. Its series on various parties ran for 33 days before it was hanned Commander, General Necdet Urug. It later ran a series on interview, Some professors say penal code, copied from Masso-

The parties range from pro-

Some, such as TIP, the Turkish Workers' party, have slways condemned avoided Others, such as the Marxist-Leninist Armed Propaganda Union, have claimed responsibility for killing Americans. The police heve had some success in arresting members of a few of tha smaller groups, with bank robberies, kidnapping and murder among

On the right, the Netional Salvation Party has recently attracted attention. Its cultural centre was raided and a firing range found, as well as "an appeal of the Fighter Imam Khomeini. Rebel against Satanic forces and Americans!"

However, the main force is UGD, the Idealist Youth Association otherwise known as the commandos, and its political ally, the Netionalist Action Party. It was in en UGD headquarters in Islanbul thet the death list was found—as well as five guns and 15 sticks of dynamite. The number of UGD members arrested and sentenced for murder is striking.

One year ago Mr. Alparslan Turkes, beed of the NAP, was quoted es telling a newspaper; Then there is the suggestion "I support the commandos. We that the violence is the social founded and trained them."

The links between the two organisations are indicated by tha way their offices are usually m the same building. .

A recent affidavit read out in a military court describes the ing NAP workers et the tima of the Ecevit government: "You are going to help us hy making ment will not fall. Whoever it is, shoot a Leftist in your factory." The workers duly factory." The workers duly obliged, even if the Leftist was wounded rather than killed.

Mr. Turkes recently wrote: Ecevit era, four city presidents. .300 members and over 1.100 Action Party bave been Communist traffic. terrorists. Can you hold a person responsible for robbery if he tries to protect himself and industrialists know the dustrialists and Businessmen's and his bome against a rohher who is trying to break into the ing a TIR lorryload of

or sleep each night in a different Moscow and pro-Peking ones to is on record as saying that he And the Ecevit government pre-editor, Abdi Ipekci), and that house. Meny have received anarchist groups and others was one metre seventy centipared a number of bills to help when the prominent defence inspired by Baader Melhhof, metres tall and the files against them. lawyer, Mr. Halit Celenk visited With martial law in force and Some, such as TIP, the Turkish the NAP were taller. But the the NAP were taller. But the Ecevit government, which surprised meny people with how little it did against the NAP. believed that closing the party would achieve little. Mr. Ecevit himself says that if his party had talked more against the NAP it would have mede the prosecutor task more difficult.

> One of the major problems for any government in Turkey is the inadequacy of the weapons it bas at its disposal. Mr. Ecevit's government never seemed to have full control over the activities of MIT, the intelligence agency. It had to deal with a police force whose members were es divided as the eft and right-wing militants they were meent to be appre-bending. It also had to improve the training, technical quality, equipment of the police,

Senator Hesan Fehmi Gunes, Mr. Ecevit's second Minister of Interior, went some way to improving this situetion in the (Including tha man eccused of ten months be was in office. the murder of the newspaper

Thesa Bills form the hulk of the package which Mr. Demirel ls now trying to pass. This package now includes a Bill to reorganise the police, one to limit demonstrations and another to restrict the sctivities of Turkey's large associations of groups such as the teachers. But the Demirel Government also wants to introduce State security courts—special courts where the judges would be largely chosen by the Government and where the rights of the defendants would be more limited.

It is strongly argued by liberals that many of these measures are dangerous and irrelevant More important, they suggast, is to make existing laws work and to improve existing institutions.

There is much to support this argument-not least the fact that 3,056 prisoners escaped from gaol in the past two years

his client in Ankara military prison, recently, the guards ellowed him to be beaten up

by Right-wing prisoners. But, most important of all, is that the Government itself should be seen to be impartial. In the years 1975-77 Mr. Demirel had Mr. Turkes as his Deputy Prime Minister and allowed many NAP supporters to be State eppointed to

Now. Mr. Demirel relies on Mr. Turkes's deputies to support his minority Government and, in turn, has again put some NAP men back in the ministrica. It is a dangerous policy. In the short-term it allows Mr. Turkes to organise, and, in growing, to take votes from Mr. Demirel.

In the long term, it raises the question of how far Mr. Turkes will be able to go with the tactics outlined in a book he recommends to his followers, Mein Kompf.



Military patrols are now o common sight in the streets of Istonbul, Ankora and all major towns of Turkey

Smuggling is still big business

"GUN SMUGGLING is the twin in bond for a berrel of seawater tion. The police are often little cabinet minister attended the Mr. Mustafe Gulcigil, the Minister of Interior-and both brothers are doing well. With NAP's Deputy President, Mr. its long, lonely and unpatrolled Sedi Somuncuoglu, as instruct coastline and its remote mountain frontiers, Turkey is a smugglers' paradise. Its position in the Middle East makes chaos and unrest in your work it an important route, whether In this context the nephew of places. Otherwise this Govern- for the Kurda or the Turkic the present Prime Minister has minority in Iran, or for the Turks themselves.

countries' beroin heing recycled to finance the purchase of guns. During the 22-month long In the past 15 years, 45,000 rifles, 150,000 revolvers and 32m bullets bave been seized to Turkey in 1977 end 88 tonnes supporters of the Netionelist by the Turkish anthorities. This in 1978. Such volumes give en is only a frection of the order of magnitude not far from

> business in Turkey. Treders by TUSIAD, the Turkish Inprice end the rontes for bring. Associetion.

brother of anarchy," according which is then sent beck; what hetter. Last month, for inused to be in the barrel is

According to one Minister in the last government, since 1978 arrested with a gang which 100,000 tons of processed steel—were allaged to bave 40 kilos 100,000 tons of processed steel-e commodity in short supplybad been brought into Turkey under the guise of screp paper. been sentenced for exporting plywood and allegedly claiming But it is a deadly trade, with it was furniture and therefore profits from smnggling other entitled bim to export rebates. Gold, too, is smuggled in large

researches in Western Europe show that 110 tonnes were sent the \$400m estimates of yearly Smuggling has long been big contrahand in this metal made

These items have long teken house?"

undeclered goods through the over from cigarettes as the Inevitably, the question of customs, for heving a bulldozer major smuggled goods. The closing down the NAP hes been delivered to their door, or for customs machinery seems inraised. One public prosecutor switching e harrel of chemicals, capable of controlling the situa- Turkey sent a wreath and a transit point for guns from

stance, a security officer who was about to be posted to the Directorate of Narcotics was

'Turkish Matia'

of heroin.

Complicating this picture is the role of "the Turkish Mafia." This is no offshoot of its Italian counterpart, but a homegrown plant of considerable vigour. It made its money from distributing the base morphine and beroin (which long originated from the poppy fields of Anatolia), from gambling, night clubs and property. It also has long acted as the main hody in the arms trade. Its members bave names such as "Freckled Mustafa" and "Kurd Mebmet" and are largely from the Laz populetion which inhabits the ontus Mountains ehove the Bleck See of the Kurds from

Turkev's South East. When one Mafie leader died. the son of an ex-President of Bulgaria, it seems, is only a

funeral. A former Minister of Interior has eccused politicel perties, unions and professional associetions of involvement in the

Traditionally, the arms have been imported for two purposes: for rural use and for crime. In some provinces it has long been almost e proof of manhood to carry a gun. Vendettas, particularly in the South East, were frequent. But, on the whole, guns were not used in the cities. Now, in the past four years 10,411 revolvers beve been seized by the police ln 1,892 incidents. "We all want guns just for protection," one judga

The new elements are the extent of the trade and the degree to which the Turks ere publicly demanding controls the countries through which the guns pass. "Bulgarie is making e trade out of this," according to the

The Belgien Ambassador to Ankara has complained that offers of co-operation to prevent smuggling have received no enswer from the Turks, But Senator Gunes does not seem impressed: "The West sees us as a country which exports ner-

Czechoslovakia end in perticu-

lar Belgium, Italy and Spain.

Senator Hasan Fehmi Gunes

who was an effective Minister

of Interior under Mr. Ecevit,

puts the metter barder. He

argues that it is not enough for

arms factories unquestioningly

to accept import licences from

African countries but that

wben making sales, they should

check that the sale is genuine.

He names the Belgian Brown-

ing fectory as a mejor source

of the weapons in Turkey. He also objects to an alleged leck

of attention peid by some

Western chemical factories over

raw materials used in morphine

and heroin processing.

a question or two to ask them about gun smuggling, a trada which is just es lethal." present Minister of Interior. But

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Delicate line with the Soviets

AS FAR as Mr. Suleyman powerful card np Moscow's Demirel's Government is concerned, the Soviet invasion of Afghanistan has brought an end the Soviet Navy paid a visit to to East-West detente and con-stitutes an event fortuitous in the sense that it may open the eyes of the West to two important factors: Turkey's vulnerability vis-a-vis the Soviet Union and its neglect by its NATO allies.

This is the gist of the message imparted by Ankara to its allies after the Soviets marched into Afghanistan, establishing a buffer between two of Turkey's allies—Iran and Pakistan. The Turks had more to say. They had no cards in their hands to play in the West's bid to make the Russians sorry for what they had done—no technology, no capital goods, no grain to sell or export credits to open. On the contrary, the Turks were the recipients of Soviet credits and crude oil to the tune of about 1m tonnes a year. Furthermore, Turkey did not wish to irritate the Soviet Union, with which it shares the Black Sea and 300 miles of

The thaw in Turkey's relations with the Soviet Union started about 13 years ago under Mr. Demirel. Over the years Russia became one of the biggest suppliers of project credits to Turkey. An oil refinery, iron and steel complex and an aluminium smelter are among projects completed with a \$1hn Soviet credit which the Turks are paying back in agri-cultural commodities. Last summer the Soviets agreed on projects requiring about \$4bn in foreign floancing, lockuding one of two nuclear power plants Turkey is planning to huild. The Russians have also promised to assist the Turks in oil prospecting.

A joint dam is under con-struction on the border river of Arpacay from which farmers both sides of the beavily fortified border will benefit for irrigation. In eastern Turkey many towns are benefiting from electricity transmitted from across the border.

Despite some reluctance on the part of Turkey, the improve-ment in economic relations, egged on by the exchange of top-level visits, was reinforced at the insistence of the Soviets io the political field. In 1978 the two historic enemies signed political document on friendly relations and co-opera-The document did not go much beyond recounting the principles of the Helsinki Accord but is a potentially

the Soviet Navy paid a visit to Turkey and the Soviet Chief of Staff arrived, hinting that his

country could sell arms to

Turkish relations is a considerable success for Moscow, the reward of a consistent and prudent policy pursued over the past 15 years.

In sharp contrast to Stalin, whose territorial demands scared Turkey into NATO, and the erratic Khruschev, the present leaders of the Kremlin tried to instil in Turkey a sense of security and assurance that the Turks had nothing to fear from Russia. The generous inflow of aid and Turkey's improvement of relations with the Comecon countries was a part of this strategy. The Kremlin's aim was obviously to woo Turkey away from NATO and create a domestic atmosphere under which Leftwing currents in Turkey gained accelerating

has a number of supporters in Turkey which add up to a powerful Soviet lobby in NATO-member

The sizeable extreme Left-



wing minority in Mr. Bulent crats. Ecevit's Social Democratic Republican People's Party,
main opposition, is pro-Moscow.
DISK, the powerful Revolutionary Workers Confederation,
is sometimes dominated by its
sometimes dominated by its
faction, as is the
All of these constitute a great Republican People's Party, the pro-Moscow faction, as is the teachers organisation TOBDER. Several of the small extreme Left-wing parties not represented in Parliament pay allegiance to Moscow, whose influence is quite considerable among many student and professional organisations, influential professors, journalists, writers and bureau-

step forward for the Soviet Union in a country which only two decades ago was among the most stoutly anti-Communist in the world and where people could be arrested for ordering

Russian salad! *But I am anti-Communist," protested a

th well-known 1950 anecdotes— at the police station. "I don't care what sort of a Communist you are," snarled back the policeman.

In retrospect it appears that Mr. Demirel took his cautious hut unmistakable steps towards rapprochement with the Soviet Union, with misgivings and under pressure of circumstances. He, like many Turks, was forming the opinion that the US, making its separate peace with the Soviet Union, could well leave Turkey on its own in the event of a possible Soviet invasion. Again like many Turks, he reluctantly grew disenchanted with the West for the continual convulsions—many of which continue—which disrupted Ankara's relations with its allies.

The American arms embargo, which followed the Cyprus war of 1974, the indifference of NATO and the Common Market to Turkish demands and, finally, the West's rejuctance to bail Turkey uut of its worst economic crisis heightened general district of and disappointment with the West. The feeling grew that detente had diminished the importance of Turkey in the eyes of the West. The logical conclusion was that Turkey should make its peace with its northern neighbour avoid being a target in a

The extent to which events in Afghanistan will change the

West's attitude to Turkey and Turkey's attitude towards the Soviet Union is impossible in assess at this moment.

Certainly many Turks are worried that what happened to Afghanistan may happen to Afghanistan may happen to them too. They are also deeply anxious that Iran may disintegrate, with the Knrds and the Azerbaijanis seceding to become Soviet satellites, creating dangers for Turkey's own integrity through the presence of the large Kurdish minority in eastern Turkey. creating

Buffer

These fears are somewhat appeased by the fact that in the last resort Turkey, commanding the strategic Bosphorus gateway between the Black Sea and the Meditaryanan and a hiffer Mediterranean and a buffer between the Soviet Union and the Arab oilfields, may be strategically too important for the West to relinquish. Strengthened once more too are the hopes that the West may be more forthcoming with mili-tary and economic assistance to halt Turkey's allow slide into

Mr. Demirel summed up the balancing required when he said in an interview: "I am trying to draw a line. It is a very delicate line. We don't want to create any problems that would irritate the Soviet Union."

M.M.

Nagging problem of the Kurds

TURKEY'S KURDS are once again causing unease, reflecting on the one hand a protest at their economic and social lot and on the other an attempt to use the general breakdown of law and order to push towards their dream of an independent

Kurdistan. There was a time when the Kurds were recognised as having a separate ethnic having a separate ethnic identity in Turkey. Indeed the 1920 Treaty of Sevres offered the Knrds a chance of iodependence, but what had been concluded with the Sultanate was thrown out of the window by Kemal Ataturk, and since then there has been a con-sistent policy of Turkification. Even so, Mr. Ismet Inonu, then

"For centuries the Turks and ledge the special identity of this the Kurds have been parts of a united whole. In the World War as well as ln the liberation war,

To add to this dismal picture is the fact that the Kurdish region receives only ten per cent of public industrial investand to he as neglected and supcountries - mainly Iraq. Iran opposition.

Mr. Nibat Erim, then Prime first major revolt was led by Minister, in May 1971 summed the Kurdish Sheikh Said of up the official altitude: "We Palit, the hereditary chief of the nation. All citizens living in Caliphate which Ataturk had different parts of the country are content to be Turkish abolished the year before had nation. All citizens living in Caliphate which Atature had different parts of the country abolished the year before. The are content to he Turkish." He Sheikh and 45 of his followers dismissed the Kurdish language were executed in June after as "a mixture of Persian, their uprising had been

as "a mixture of Persian, their upristing nag meen Turkish and Arahic, with only crushed. There were further 3,000 complete Kurdish words." Kurdish revolts in 1930 and Firs some time, 16 of the 18 1937, and, subsequently in the predominantly Kurdish pro- early 1970s in particular. Turkey have However, there are probably the words martial law in an three main reasons why the vinces in eastern Turkey have. However, there are probably been under martial law, in an three main reasons why the area which stretches in eastern Anaiolia from Gaziantep in the west up to Kars in the north-east and sbares borders with Soviet Union, Syria, Iraq

Fuelled

The militant opposition which Kurdish groups are conducting against the Government draws its strength from Kurdish nationalism, hut is also fuelled by Turkey's economic problems. While the latter feature may have helped to radicalise the revolt, within the Kurdish ranks there is long-standing tribal feuding. The struggle has been further sharpened by an influx of arms over the last three years, a factor probably tinked to Kurdish contacts with the Turkish Mafia, which is itself deeply involved in arms

deeply involved in arms smuggling.

The Kurds in Turkey have also been affected by Ayatoliah Khomeini's drive against their counterparts in Iran. Lost autimn Turkish newspapers were reporting the recrumment of as many as 5,000 Kurds by underground Marxist organisations to belo felts there. They reported, too, Turkish Government efforts to control the movement of Kurds into Iran. There have been signs also of self-assertion in public life. Last Angust two Knrdish deputies, Mr. Iskan Azizogin and Mr. Narettin Yilmaz, threatened to withdraw support from Mr. Bulent Ecevit, who was at the time Prime Minister, unless Khomein! was denounced. Earlier in the spring, Mr. Serefettin Elci, the Minister of Public Works and a Kurd, by "There are Kurds in

Kurdish nationalist. As in all countries there may also be and are various ethnic groups in Turkey. But the Turkish people are a whole, we reject any ethnic distinctions as a dividing element within the integral dividing

Tensions

The Kurds in Turkey, as elsewhere, pose a classical dilemma for the central government. On the one hand Ankara feels ill at ease about the loyalty of these people, largely Sunni Moslems, who at about 7m constitute about a sixth of the population and the largest Kurdish complicity of Turkification.

Even so, Mr. Ismet Inonu, then Turkey's chief delegale to the Lausanne Conference in 1923, was able to remark: "The government of the Great National Assembly of Turkey is the central government shoold that of the Kurds as much as about a sixth of the population and the largest Kurdish community anywhere. When a recomming anywhere is through a period of severe economic and social strain, these tensions are inevitably exacerbated. On the other hand the central government shoold feel obliged, as Iraq has, to about a sixth of the population that of the Kurds as much as feel obliged, as Iraq has, to that of the Turks." He went on: make some gestures to acknow-

the Kurds fought to their on the whole taken barsh utmost." Their ironical reward military and legal measures has been to be known unaffec- against the Kurds. Their fate at tionately as "mountain Turks" the hand of Ataturk paralleled closely that of the Islamic clergy, for both were seen as a pressed as their fellow com-munities in neighbouring source of co-ordinated political It is no colocidence that the

accept no other nation as living Nakshibendi dervishes, in in Turkey, nnly the Turks. As February 1925, it represented we see it there is only one a call to overthrow the godless

resurgence of Kurdish nationalism is in the end not likely to lead to a separate State heing formed. First, as has heen shown, any government will take extreme measures to prevent this happening. On the day Mr. Demirel came to office in November the martial law commanders launched a 10-day security operation in south cast Turkey aimed mainly at Leftwing secessionists, in particular the radical Apocus. During Mr. Ecevit's Government the Kurds bad been handled with a slightly

more "smiling face." Secondly, it is hard to see how the Kurds themselves could be entirely successful in pressing for a separate State because of disunity within their ranks.

Thirdly, most countries in the region traditionally co-operate against the Kurds. Last April

that Turkey and Iraq—fearful of the spread of Kurdish naturnalism—agreed to co-oper-ate in operations against the Kinds in their border regions.

There is no disputing the severily with which Turkish law has dealt with the Kurds. Since 1924 the use of the Kurdish language has been prohibited, and even in August 1971 the singing of a Kurdish folksnog and the possession of a record of it was used as the hasis of a prosecution. The wearing of Kurdish national dress to banned, as is the publicating of anything in Kurdish or teaching in that language. It is thus not surprising that the is this not surprising that the feeling is rife as one Kurd put it that "the Kurds are colonised by the Turkish people."

The Kurds, in addition to their nationalism, have smind

reasons for anger at being neg-Turker and I am a Kurd," had lected by the central govern-provoked Mr. Ecevit to retort: ment. Their eighteen provinces, "Elci was not saying he is a which include some 20,000

hamlets and villages, cover some of the barshest and most spectacular geographical regions in the country. Most provinces are dominated by bare mountains and plateans several thousand feet up, and split by deep valleys and streams.

They contain, in the pro-vinces of Diyarbakir and Siirt, the most productive of Turkey's meagre ollfields. The main occupations are farming and animal busbandry, but it is an indication of the tribal and feudal hackground that less than 3 per cent of the population own onethird of the arable land, With a population density of under 30 per square mile it is one of the most sparsely-populated areas in Turkey. Half the villages have only dirt roads and the rest what amounts to little more than goat paths. Less than half have piped drioking water and even fewer elec-

ment and 3 per cent of private. The illiteracy rate runs at 17 per cent — 64 per cent for men and 91 per cent for women — compared with the nverail national average of ohnut 40 per cent. Both infant

mortality and unemployment are the highest in the country. Deliberately or not, the plight of the Kurds is little known in the west of Turkey, Civil servants and professional men (there is one doctor for to.000 people or one third of. the national average) are reluctant to serve there.
The likelihood is that the

Impoverishment of the region CONTINUED ON NEXT PAGE

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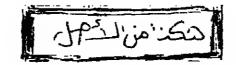
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ISTANBUL

TURKEY

Sea of Marmara

TUPKEY

Uneasy exchanges with Greece

THE GREEKS and Greek cussions of the Aegean affair which Mr. Ecevit had esemed are indirectly threatening the to impart that year to attempts continuing the intercommunal are expecting any major policy hanges from the Government of Mr. Suleyman Demired they once led to the long closure of the U.S. arms emhargo over Cyprus when the leaders of the two once led to the long closure of the U.S. has in that to solve the dispute. Matters talks but neither shows much an issue of confidence. Great that to allow the small than the might be used to the long closure of the U.S. has in that to solve the dispute. Matters talks but neither shows much are leaders of the two once led to the long closure of the U.S. has a likely to be disappointed. The Government programme

1875 it out clearly. The archive of Turkey's doing. The Government will not relinquish its rights to the Aegean continental shelf; cannot remain indifferent to Greece's fortification of the islands lining Turkey's coast; and is most sensitive about "the acts of sensitive about "the acts of oppression against the Turks of Western Thrace." Mr. Hayrettin Erkmen, the new Foreign Minister, is adamant: "Neither new for in the future will we have concessions to make."

The Aegean dispute has the EEC anxious and NATO at its wits ends. It continues to set two Alliance members against each other. It is preventing the re-integration of Greece into the military wing of the Alliance. Along with Cyprus, it is affecting the future of Western bases

the U.S. bases in Turkey. Now Britain too is beginning to feel awkward.

President Spyros Kyprianou of Cyprus is shortly to visit London and repeat his Government's demands for compensation for services to the two British sovereign bases on the island; he is asking for about £75m to cover the past 15 years. Furthermore, he has been backing UN resolutions which now call not merely for the "demill-tarisation of the Republic of Cyprus" (which would exclude the sovereign base areas! but for the "demilitarisation of (and thus would also. have British troops off the island).

Taking the problems, one by

President Carter's ability to persuade the U.S. Congress to the area. lift the arms emhargo in August, demand that a tighter federation. In Greece the domestic reper 1978, reflected the impetus should be established.

when the leaders of the two Cypriot communities, Mr. Kyprianou and Mr. Rauf Denktas, agreed on a 10-point programme. But within weeks they were again at odds.

have been arguing over the Turkish side's demands that the new State should be a hizonal as well as a bicommunal federa-tion. This would imply virtual partition and probably little chance of a return to thair homes for one-third of the island's population who became refugees in 1974, with the partial but important exception of the Greek Cypriots who used to live in Varosha (old Famagusta). The Turkish side sees all this as essential for the security of its community and insists that on several important occasions the Greek Cypriots accepted this. But the Greek Cypriots say that hizonality and bicom-munality are not included in the May, 1979, guidelines and

pushed towards declaring north-ern Cyprus and its 120,000 Turkish Cypriots (and 18,000-20,000 Turkish troops) as an independent State. But Ankara is unlikely to allow this. It has long opposed final partition of the For seven months now they island, fearing that this would lead in the Greek Cypriots feeling free to allow Greek forces nn southern Cyprus, thus ex-tending the Greek encirclement of Turkey's coast. But continning attacks on the Turkish side in international fora have caused the Turks to say they are being driven to declare independence.

> There has long been a tradition of half the year being spent in fencing over the intercommunal talks and half being spent waiting for or reacting to whatever the Greek Cyprious could achieve at international forums such as the UN. This autumn the UN General Assembly gave the Secretary General until March 31 to report oo progress and in its absence allowed the President of the General Assembly to eeek to create an International committee handle Cyprus.

> For the Greek Cypriots this was a major step towards the possible introduction of sanctions against Turkey. For the Turkish side it was unwelcome. in part because it seemed one more reason wby the intercommnnal talks would not succeed.

THE AEGEAN

Few Western countries can age a method of cutting this Gordian knot. Yet worse, however, is the nexus of problems in the Aegean. These involve the seabed, territorial waters and airspace, as well ae who should exercise civilian and military control over sea and air. sure of Aegean airspace, the continuing suspension inputs from Greece to the NATO early warning system failure and on the terms under which Greece can return to the military wing of NATO from which

agree this would be virtually a cause for war. Such a move it withdrew in August 1974. This last point is important in that while the Government of Mr. Constantine Karamanlis ia keen to mend Greece's defence links

jertions to the fact that Greece has established some cootrol The heart of the problem is an issue of confideore. Greece zones which are seen as "unique to the history of mankind"; some "curious" domestic air corridors, including "Whisky 14" which runs down the Turkfears that to allow the smallest zone of Turkish economic or political influence hetween its outlying islands and the Greek mainland could lead to the isolation and perhaps eventual loss ish coast from Kavala to Cos; nf the islands. It seizes on the some training areas in interwilder utterances of Turkiah-politicians, just as Ankara used national airspace; and a national airspace larger than its in react to Greek talk of the Aegean as a "Greek lake." territorial waters.

Draft texts exist of a political document covering co-operation and friendly relations hut for the time being it is hard to see this being signed, particularly given the hitterness which Mr. Karamanlis feels over Turkey's reactions to his proposals for Greece's return to NATO's military fold.

of them to make inequitable claims on the continental shelf. NATO The geologists' view that it is

For its part Turkey fears that Greece might use the

islands to try and cut it off from the outside world and is

using the islands in ways it should not—by fortifying some of them against roternational

treaties and by using ownership

unlikely there are great quanti-ties of oil at stake has long he-

come virtually irrelevant heside

decided to continue the dia-

logue between the Secretaries

Geoeral of the two countries'

Foreign Ministries, even if Mr.

Erkman says of this that it is

for Ministers and not for Secre-

taries General to make any

shortly in Ankara. The conti-

nental shelf, the airspace and a

possible political document are

being treated as interrelated

The next such meeting is due

The Turkish Government has

the wider issues raised.

accord.

What has happened is that while the Turks are on record as wishing the early return of Greece they are also insisting that before this can happen agreement must be reached on the division of command and control in the Aegean. Turkish objections to this division existed even before 1974. The tensions between Greece and Turkey have it more important these differences be made resolved in a spirit of coopera-

tion Before 1974 Greere had naval responsibility for the Aegean and Ionian Seas and Turkey for the Black Sea and Eastern Mediterranean. In the alr the Greeks dealt with all air space west of the median line between the Greek and Turkish mainlands and the Turks with all east of this line—though in 1964 Greece announced that it was pushing that line to the east of its Aegean islands. All these arrangements were accepted by the Military Committee but in strict sense were de facto in that they bad never been approved by the NATO Council. Turkey had long objected to the naval arrange-

The Greeks insist that the pre-1974 arrangements should be recognised as legal or as an interim arrangement which could be renegotiated onre Greece is fully back in the Alliance. But the Turks have now been dealt the power of veto by the Greeks—and are prepared to use it.

Their view is simple. They do not believe that a problem which could not be solved in five years will easily be solved once Greece is back in the happy at NATO suggestione that

Mediterranean Sea Alliance. They are not prepared formally to recognize claime and interim military arrangements which they had not previously recognised, particularly when in their view Greece seems to them

BULGARIA

use these arrangementa further other claims in the Aegean. In addition, they point out that the Izmir command st, Land South East, is no longer commanded by a U.S. general with operational command of hoth the Greek and Turkish forces.

Instead, Izmir has changed function so that it is now under a Turkish general and has operational command only of Turkish forces. However, the parallel post proposed by the Greeks would be different in that while the Turks have delegated command and control of their forces to NATO the Greeks have delegated command but wish to keep operational con-trol. The Greek proposals for Greek Chief of Staff and the return would thus in some advent to power of a fresh govsenses give them greater rights

than they had before 1974. NATO'e attempts to solve this problem have raised the hackles both officials and the public in Greece. For a sea with 2,316 islands the suggestion that each Greece's case, pride coupled country should control its with fear of a impolstic opponational airspace and that consistion—dominate. But tension is trol over international airspace should be co-ordinated through and, for the moment at least, Naples is seen as hopelessly hostilities are hard to imagine. Impractical. Nor are the Greeks

should national airspace limits from 10 to six miles beyond islands. The that naval matters could be resolved by introducing task forces-groups of sbips from different countries under the

command of senior officers, who could be Turks. General Bernard Rogers Supreme Allied Commander Europe, has so far failed-like his predecessor, General Alexander Haig—to hridge the gap.
All in all it is something of a

can of worms. Cyprus and years of detente have caused the two putative allies to be much more worried about each other than about threats from the north.

It ie possible that Afghanistan might change this and, twn weeks ago, General Rogers for the first time expressed optimism about the chances of what he called "a good solution."

ernment in Ankara mean that at least some of the actors in this drama are fresb. Nonetheless, the Aegeao remains a prob-lem. Conflicting perceptions of national security—and, in Greece's case, pride coupled sition-dominate. But tension is less acute than three years ago

Kurds

CONTINUED FROM PREVIOUS PAGE.

is growing too, because inves- cultural repression. In 1971 it cratic rights of the Kurds. tors and the educated youth was banned for a period as a But the organisation which is have moved westwards where result of the preparation of re-drawing the greatest attention the opportunities are far more ports on military oppression and is the Apocus. It was estababundant. This helps to account for the fact that 30 per cent of the arable land in the east is owned by absentee land-

Politically there has been a ineration of parties and inisations all with the ultiinic aim of wanting to Out of a total of about ' : 'ree are registered as assoations and the rest are under-

The associations are crated as long as separatism not advertised. The first is TR-DER (the Anti-Colonialist Democratic Culture Organisation), which hae many branches in the Kurdish pro-

These two follow approximately the same pro-Moecow political line, and ln arguing for a Kurdish State see it as part of a broader proletarian revolution, as a result of which tha Kurdish people would attain "cultural autonomy." thinking - have been identified

a legendary Kurdieh hero, and the KUK (Liberation of the Kurdish Nation). In addition, there is the Kurdish Demoranches in the Kurdish pro-inces. illegally in 1967 and with links. The other two are the DHKD with KDPs in other countries. (The People's Revolutionary The KDP was allied to the Culture Association), and the Turkish Labour Party, which DDKD (The Eastern Revolu- was closed in July 1971 by the tionary Culture Association), Constitutional Court for adopt-

torture, and after mounting campaigns against illiteracy.

The underground movements nearly all Leftist in political as Rizgari, meaning liberation in Kurdish, Kawa, named after

was formed to counter ing a resolution on the demo-

lished in 1975 and was so called after Aptullab Ocalan, known as or uncle. It bases its Apo' drive for Kurdish independence on armed struggle. The city of Divarbakir is not only considered by Kurds as the political capital of "Kurdistan" but is also the site of a sensitive

U.S. electronic surveillance complex for tracking Soviet missile launches from test sites. More than 150 people have died in one town in the last six It is clear that the Turkish Government is at present in no Kurdish political and economic demands. Nevertheless, it does seem able to contain this situa-tion and the chances of the Kurds obtaining some real

autonomy are remote unless the unlikely occurs—total disorder on the scale of events in Iran. Anthony McDermott with the West, the opposition led by Mr. Andreas Papandreon

subjects on all of which joint agreement must be reached. On the continental shelf matters are to some extent going Tur-key's way. The International Court of Justice decided in December 1978 that it had no jurisdiction on the matter. More important, at the present Law of the Sea Conference the interim composite negotiating text ia less favourable to Greece than were the 1958 Law of the Sea conventions. The Turks say that they would prefer to co-operate with Greece The consequences of these dif-ferences include Greece's clo-sea but will agree first to delimit the Aegean if necessary, They are adamant. however, that if Greece were to extend its territorial waters from six to 12 miles as the Greeks argue is international practice today

> would increase Greece's share of the Aegean from 35 to 64 per cent but more crucially would almost throttle Turkey's access to loternational waters. Equally contentious is the airspace, with problems of security

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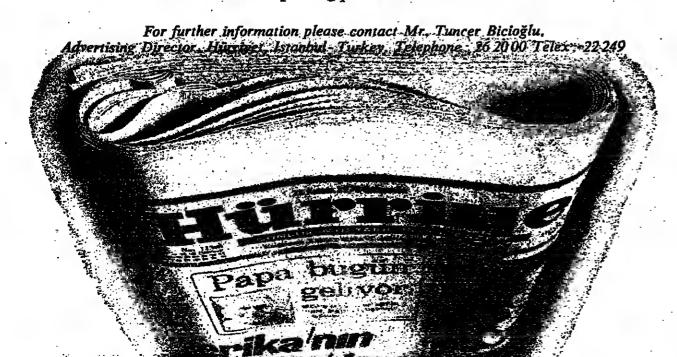
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TURKEY VIII

Islamic nation held by a secular framework

AFTER Ayatollah Khomeini's overthrow of the Shah of Iran, and the continuing unrest, both there and in other Moslem States, it has become fashionable to attempt to spot the next country in experience the con-vulsions of a resurgent and militant Islam.

Turkey, where 98 per cent of its population are followers of Islam, would appear to be a ripe candidate. The warning by the leaders of the armed forces to the relitious to work warn. the politicians to work more constructively together might suggest that the democratic system is breaking down.

The economy has deteriorated seriously — leaving millions in wintertime without heat or light. There has been social dislocation through the familiar pattern of people leaving the countryside for the cities — only to find unemployment or to join shanty

Ataturk made it a priority to bring the clergy under govern-ment control. These factors elsewhere should result in people turning to Islam as a relief and for guidance, with the sub-sequent risk that this could hecome an emotional political force beyond political force beyond the control of parties, or even the armed forces. In Turkey, It has not, and remains unlikely to do

The main responsibility for this lies with Ataturk, the founder of modern Turkey. Between 1924 and 1928, he laid the foundations for the constitutional secularisation of Turkey in an uncompromising and extensive way. To many, it was not "secularisation" as much as the irreligious suppression of

Confront ·

Ataturk, recognising, in fact, the political power of religion, decided first to confront and disestablish it, both an the more formal levels and where it found popular and mystical ex pression through the dervish orders, and then ultimately to attempt to "hureaucratise Islam. "Secularism" was, i fact, one of what is known as the Six Arrows of Kemalism.

There were foreign political considerations which Ataturk had to take into account. The abolition of the Caliphate in 1924 symbolised his desire that Turkey should divest itself of the Ottoman Empire, and once this had been done the religious powers and symbolism of that position had logically to be transferred elsewhere.

He helieved, too, that the West could only he met on equal terms eventually with the deep westernisation of Turkey. He was mindful also that Britain and France were able in the Arah world to exploit Islam for their own imperial ends. As a result, he wanted Turkey's religion at home to he as oear as possible under central control. The assault was comprehen-

sive. The abolition of the Calipbate was followed by that of the Seriat, Holy Law. replaced in 1926 by a civil code adapted from the Swiss version. The rokif or pious endowments were nationalised. The Arabic script was romanised, thereby controversially breaking a link with the saoctity of the Koran's script. The Gregorian caleodar was adopted. The wearing of the fez was abolished. The whole religious hierarchy from the conduct of services to religious education was brought under the control of the State. In April, 1928, the clause "the religion of the Turkish State is Islam" was removed from the 1924 constitutioo, and today the republic is characterised as "secular." The principle of upholding secular-ism has been enshrined in law.

Indeed, the National Order Party, a pro-Islamic organisa-tion founded in 1970 by Pro-fessor Necmettin Erbakan and the forerunner of the present National Salvation Party (NSP), was the following year banned by the Constitutional Court for anti-secular " activities.

Doctrines

The semi-secret and mystical tarikats or hrotherhoods—the Meylevis, Naksibendis, and Bektasis mainly—did not escape Ataturk's attentions. These brotherhoods, as elsewhere in the Islamic world, provided a valuable and popular outlet for people when orthodox Islam appeared too rigid nr deficient in leadership. Their doctrines in leadership. Their doctrines varied between being close to nrthodox Sunni Islam and containing traits of unorthodox Shi'ite Islam, Christianity and residual paganism. They draw their support from differing urban and rural parts of Turkey. In November, 1925, laws were passed aimed at dissolving the passed aimed at dissolving the tarikats: they were hanned and their schools, meeting places (the tekkes) and sbrines closed. Their assets were impounded and their ceremonies prohibited. In the short term, one of the effects of these measures was to strengthen popular Islam which carried on in sub rosa fashioo.

But, by and large, this legal surgery has been largely successful in ocutralising Islam as a

political force today. This has been helped by the fact

that, whatever its weaknesses,

Turkey's multi-party political system provides an outlet which

the Islam-orientated NSP's com-While the mevlevis are perparatively weak showing in the

1973 and 1977 electious, where it obtained, respectively, 11.8 per cent and 8.5 per cent of the What has undoubtedly changed little over the years is the general level of piety. About two-thirds of Turkey's Moslems are Sunnis, the orthodox sect of torikut

Islam, and the rest are mainly Alevis of the unorthodox Shi'ite Shi'ism is the predominant sect in oeighbouring Iran. In more politically involved than general, while the Alevis have the other terikats. The Nurcus preserved more of the purely Turkish fulk literature and music and have also been more

Shamanism, the original religion of ceotral Asian tribes, the Supply have been more open to At the same time, the two sects are pnlitically and economically divided. The Sunnis have long heen dominant in economic and political terms, and bave tended towards con-servatism. The Alevis, gener-

receptive to some aspects of

plistically, they used to divide between the Justice Party of Mr. Suleyman Demirel and the Republican People's Party of Mr. Bulent Ecevit. But in the past two years propaganda, particularly by the right-wing Nationalist Action Party, has led to increasing tension between the sects. This tension bas now become so severe that there have been

frequent clasbes. The worst of these was in December 1978. when more than 100 people were killed in Kahramanmaras, in south eastern Turkey, causing martial law to be introduced. What is happening is that Islam'a profile in Turkey is now alightly bigber than before. This is a feature which has run

in cycles. At the beginning of 1949, for example, religious education was re-introduced into schools and it was per-missible again to make the call to prayer in Arabic, after a 17-year ban. During the following decade, which coincided with the domination of the Democratic

Party, (dissolved by the Military in 1960 and an autecedent of today's Justice Party), attendance in the mosques rose, and more beards and berets (a means of evading the ban on religious clothing) were to be seen in the streets.

Today, such similar phenomena are visible, and religious festivals are regularly abown on television. Pollticians pay conscions lip-service to Islam while canvassing for elections. Between 1963 and 1977, the

number of religious schools rose seveo-fold-from 45 to 320; the number of students 12-fold from 9,284 to 111,741; and the numfold from 484 to 3,852. Much of



Around 98 per cent of the population of Turkey are followers of Islam. Above: the new mosque at Eminonu and the Galata Bridge, Istanbul

tourist attraction), they and the strict control of) the State. operate unofficially. ..

have emerged: the Suleimancis (named after its to the Arab and Islamic worlds, founder Suleyman Hilmi The opening of the office of Tunaha) and the Nurcus (folthe Palestine Liberation Organilowers of Said Nursi, who died sation in Ankara is a symptom

the other terikats. The Nurcus had a role in setting up the NSP and give support to the Justice Party.

Appointees

The more formal side of Islam the artistic and linguistic influis heavily bureaucratised. There ences of other Islamic countries. are some 40,000 imams (essentially, prayer leaders) in the country and above them for the aub-provinces and 67 provinces about 1,500 muftis-all Government appointees.

Such is the inability of the clergy to link together-and, in ally poorer and often dis-possessed, have been more front—that they took a decade to open to radical ideas. Put sim-organise a Higher Religious theory, present a united political Council, the only body to which they were permitted elections.

The religious schools—Imam.
Hatip Okullari (high schools),
and Yuksek—Islam Enstituleri.

(high Islamic institutes)-for producing clergy are under the authority of the Ministry of Education. A school of theology also exists in Ankara University.

The two most aenior religious offices are the Presidency for Religious Affairs and the Directorate General of Pious Foundation tiona (Vakif). Both are attached to the Prime Minister's office. and directly controlled by a Minister of State. The former religious office makes appoint

is exceptional among other pre-this can be attributed to the meots and vets sermous, and the dominantly Moslem countries. NSP which participated in latter administers and maintains. This is further underlined by several coalitions between 1974 the Vakifs and religious buildings taken over by the State. mitted to perform their tradi- part of it, has become tightly tional dance lo public (as a bound up with (but under the

other brotherhoods continue to. On the international scene, Turkey has preserved its diplo-Since the 1950s, two new matic ties with Israel, but has also attempted to move closer

sation in Ankara is a symptom of this. Since the 1960s it has been sending observers to Islamic Conferences. But it was not until it was itself host

to the Seventh Islamic Conference in Istanbul in 1976 that it announced its membership of that organisation. It has since atteoded the conference in 1978 in Dakar, and last year in Fez.

Professor Bernard Lewis In The Emergence of Modern Turkey has observed that "the ultimate identity of Turk and Muslim in Turkey is still un-changed." This is true, but it is also an indication of Turkey's essential self-confidence that Pope John-Paul II was received last November at a time which might bave seemed ill-judged. (Mr. Erbakan's objections were

ignored.)

For the Turks, unlike any other country in the area, with the possible exception of Egypt: have a sense of separate and special identity.

As a result of the Ottoman

Empire, they bave too a feeling for their own continuous history. When these factors are taken with Ataturk's changes and a long-established hureancracy, it seems unlikely that the constitutional secular form of changed by Islamic movements, even if their visible features may become more apparent.

Anthony McDermott

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Serious problems on energy supplies

AT THE heart of Turkey's been slow to grasp that the nationalisa all natural resources conduit problems is its energy country's oil reserves and their (a move now being unsurgramme it is perhaps even ability to mast even a significant scrambled)—has fallen, so that proportion of demand was it is reckoned that while some atthough some long-term plans gradually declining, (the per 5.5m tonnes were required for save been drawn np and, in formance during 1979 has been the winter period, only 1.5m exceptional and imposed by tonnes are available. In any case, sublished a compendium of the foreign exchange shortages and coal distribution has been hadly ounity's natural resources, fficials admit they still have no lear idea of their full extent. Vhile this inevitably leaves goom for optimism, the fact-emains that, at present, durkey's energy supplies are roadly in chaos

This is not all Turkey's fault. eveloping country which pro-luces little of its own oil (see able). It has been grievously it by the rise in oil prices, For xample, the Central Bank stimates that maximum exports mis year will total \$3.5bn—tha gents of the cost of oil and proucts' imports. During last ecember, while such imports ere costing \$60m a week, at ne stage the Central Bank had nly \$20m availabla.

Tusiad, the equivalent of tha onfederation of British dustry has calculated that tween 1974 and 1978, Turkey d to pay an additional \$3.8bn or off imports as a result of oil

Turkish Companies

Mobil and Dorchester

Percentage of all imports

* Both crude oil and products (\$m).

Import costs*

Shell

a marked slowdown in domestic economic activity). Inadequate provision has been made for switching away from oil-powered thermal plants, for increasing coal production or for using hydro-electrical potential more

As a result, those conducting br it is in the unenviable but Turkey's energy policies have lessing position of being a been driven increasingly into a spiral of working almost on a day-to-day basis.

Power cuts

Thus, power cuts have rlaen to about nine hours a day in Istanbul and Ankara and elsewhere average about four hours. In December, for example, as a result of the reduction in power only 19 of Turkey's 32 cement factories were able to operate. Some schools were closed for lack of heating oil. Favourite television programmes could not be watched. Butchers, bakers and hairdressers had their work hampered. Domestic heaters, even if fuel was available, could not work during blackouts.

At the same time, it is clear by uncertainty hecause of the that the gap will continue to hat. Turkey's planners bave Ecevit Government's decision to widen, if only marginally.

991.100

991,100

19.8

440,677

597,642

173,418

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TL-3.

18,1

8,037,900 4,264,603 2,305,691 -45.9

1,101,600 1,030,100 1,070,117

13.200

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1,628,900 1,250,100 1,213,188 1,376,500

3,095,500 2,595,300 2,713,036 2,724,100

9,634,000 11,223,000 11,750,000 10,762,000

1,S55,700 1,639,220 1,733,000

1,114,300 1,049,200 1,073.816

6,538,500 8,627,700

12.700

1,981,200

held up hy oil shortages.

Electricity production has not been keeping pace with demand, even though per caput consump-tion has been rising mora slowly. Part of this must reflect the fact that during the 1973-77 plen the production of primary energy resources should bave ducts has been dramatic. In reached TL 37.2bn (\$0.8bn), but 1973, oil imports cost \$218m. in fact totalled TL 33.4bn (\$0.7bn), a shortfall of over all imports and were the aquiva-10 per cent. Between 1976 and lent of 16.5 per cent of exports. 1978, electricity production rose By 1978, they cost \$1.39hn and

The State Planning Organisa- market. tion (SPO) estimated that foreign electrical production for 1979 which co would reach 24,175 Gwh, but he halted, according to Mr. Esat Kirat-dropping liogln, the Energy Minister, it Demirel will reach 23,500 Gwh, and even pledged n that represents a shortfall of 2.000 Gwb: 1980's demand will

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fifths of its consumption goes to industry, thermal power plants and commercial traosport. Pump prices of premium petrol were raised last June by 26.4 per 153,448 - 13.2cent to TL 31,658 per tonne, and regular by 30.8 per cent to 1,211,734 1,449,193 +19.6 TL 28,582 per tonne, and further increases are contemplated to slow demand. Nevertheless, while in 1974

etrolenm products provided 43.8 per cent of the country's eoergy resources, they still pro-vided last year 50,7 per cent. Over the same period, the contribution of lignite (brown coal), whose reserves are put at

In the longer term, the projected demand for the year 2000 is 200,000 Gwb. At that stage about Turkey's ability to meet this, for with 1979 an exceptional year, in which both oil imports at about 8.5m tonnes (170,000 h/d) and local production at 2.3m tonnes (46,000 h/d) were down, the trend has been towards increasing dependence

en oil for energy.

The drain on Turkey's resources through the cost of importing crude oil and products has been dramatic. In accounting for 10.4 per cent of on average by 13.8 per cent this took 30.2 per cent of im-annually from 18,245 Gwh ports and were the equivalent (Gwh=1m kWh) to 22,180 Gwh, of 60.7 per cent of exports. Last while per capot consumption year's imports cost \$2.5bo, and rose by 10 per cent from 443 part of the reason for this rise kWh to 510 kWh (with a notable was a result of Turkey being slowdown in 1978 with consump- forced to buy up to 20 per cent tion rising a mere 0.6 per cent). of its supplies on the spot The reasons were foreign exchange shortages which caused some supplies to he halted, and Iran's supplies drastically. Government pledged not to huy on the spot market this year, for the 14m tonnes (260,000 b/d) it will

ot work during blackouts. rise to 27,300 Gwb, but production.—already hit tion to 25,120 Gwb, meaoing may have started well with the cooclusion in December with Saudi Arabia for the supply of 6m tonnes (120,000 h/d) for this year (concessional terms were sought, but so far the details of the crucial aspect of financing bave not been dis-

It is hard for Turkey to reduce its dependence on oil, for it is reckoned that four-



One aspect of the energy crisis in Turkey—a two-mile queue of vehicles at a petrol station in Istanbul

S.9hn tonnes, has riseo over the same period only from 9.9 per

Perhaps the most under-used esource is hydro-electric resource In receot years, its contribution to Turkey's energy needs has doubled, but last year it was still only providing 7 per cent. In a paper presented to the 10th World Energy Confereoce, these resources were estimated at 72,407 Gwh, or nearly three times existing demand. But installed capacity is currently put at 16,670 Gwh.

Furthermore, the State Waterworks (DSI) has reckoned that to reach the full potential 500 dams and 350 dydro-electric plants would be needed-about 20 times more than there are in operation today.

Remote target

Given these calculations and restraints, the target of 200,000 Gwh at the end of the century ook somewhat remote. Mr. Kiratlioglu, however, maintains that it can be met and optimiswater tically forecasting resources providing 80,000 Gwh, coal 60,000 Gwh, and oil 5,000 Gwb—leaving a gap of 55,000 Gwb to filled maioly by ooclear energy, and possibly solar power.

Tow reactors have been contemplated—one of 600 MW near. Akkuyu in aouth Turkey, but financing problems for the Swedish company ASEA-ATOM, have been encountered and a second of 1,000 to be constructed with Soviet help. Little progress has been made in negotiations on this latter

smatl.

most rigid and prohably optimistic about domestic oil production. In 1970, it provided half of the country's needs, but today it provides about one The Turkish Petroleum Authorities (TPAO), virtually the only company doing any optimistic that oil will he found io commercial quantities, but the foreigo oil companies, which produce over half of Turkey's oil, are scepticalmainly hecause the fractured geophysical structures of the chief fields in eastern Turkey mean that the reservoirs are

Furthermore. Shell maintains that it is a sign of these fields ageing that about half the liquid they produce is water wheo pumping oil.

The Turkish Government is trying to encourage more foreign participation, by raising -subject to oegotiations with the oil companies—the price of oil produced sioce the hegioning of last year from \$5.21 a barrel to 75 per cent of Saudi marker crude.

In addition, the Demirel Government bas Indicated that it will support private and foreign companies wanting to iovest in exploration. So far only a small U.S. company, Hermes, alone and io conjunction with the Turkish holding group Koc, and a Swedish company have shown interest.

The fact remains that Turkey is likely always to be on the very margins of international companies' interests, even with raised prices and a receptive Turkey's energy officials are government. The experience of

some of the companies already reckon that the four turbines in the country have not helped. For example, Mobil and BP (respectively S1 and 17 per cent participanta along with Shell 27 per cent and Maramara S in the Atas reficery) have been negotiating for back payments of ahout \$140m and \$30m respectively for oil imported for the refinery. As a result, they have oeither imported oil for that end since March 1978, aod the 4.4m tonce refinery is running at about half capacity. (The three other reficeries at Batman, Ipras and Izmir with a total capacity of over 12m toones/year have fluctuated io production rates, but are curreotly running at between 70

Depressing

and 80 per cent.)

But perbaps tha most depressiog aspect of Turkey's energy programme is the Afsin-Elbistan "A" thermal power plact in south Turkey. Its current plight contains all the elements of Turkey's self-inflicted and imported problems. This pro-ject, now costing about \$1.5bn, should he the cornerstone of energy supplies. It will be the largest lignite-fired plant of its type in the world, with the added advantage of heing close to buge lignite resources. When it finally comes on stream, it could provide about one-quarter of Turkey's needs.

But the problems have been endless. The first of the four 320 MW turbines should have been oo stream in 1977, but now this is unlikely to bappen hefore 1984. The fourth will come on stream by sometime hetween 1998 and 2002. Consultants

will oever all be running at the same time or at full capacity not hecause of the load-bearing capacity of the transmission lines but because of the local technical expertise is not avail-Furthermore. trained workers tend to find work elsewhere once their traioing period has ended, reluctant

to remain sited at Afsio. As a result of the delays, and of devaluations of the Turkish lira, costs, according to the SPO, bave risen by two-thirds since 1972. Other aspects are held np because the Turkish Electrical Authority (TEK), which is carrying out the project with Foster Wheeler and West German companies, owes about 300m TL (\$6.4m) to various contractors.

Almost half the 107 expatriates on the staff have left because of terrorism on the site, despair at the low standard of some of the civil work.

Finally, the Turkish Coal Board (TKI) bas not yet finished a study oo the supply of lignite to the plant. It is supposed to supply 18.6m toones/year and, according to the SPO, by the eod of last year 22S draining wells should have been drilled. In fact, only 149 bave been completed and hids for equipment could not be finalised because of a foreign exchange shortage. And the depresslog difficulty with this set of particular problems, such as Turkey's energy problems as a whole, is that it is bard to see how the vicious circle can be

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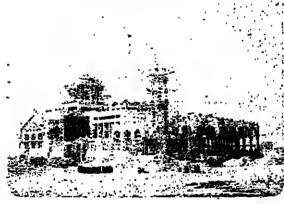
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The problems of an emigrant

ELEVEN-YEAR-OLD Beykoz lives with her parents and two sisters in a two-room tenement flat in "Little Ankara." the horough of Kreuzherg where every fifth Berliner is a Turk. She is tha only one in her family ahle to converse in German. Her father, Osman, works as a gardener for the city and her mother. Ayten, is employed in the winding ahop of s large Berlin electrical engineering

Aynu's family has lived in Berlin for nine years, six of them in a building which, years igo, was declared unfit for habitation hy the city, but which now houses a dozen Turkish families. They live less than a kilometre from the Berlin Wall in what, in effect, is a Turkish huffer zone hetween the Ger-msns in East and West Berlin.

West Berlin already has the fourth largest Turkish population of any city, nearly 100,000 and, although Turkish Gastarbeiter are no longer permitted to enter West Germany, their numbers continue to grow with the arrival of family members from Turkey.

The heart of many a Prussian housewife would he warmed by the painstaking cleanliness of the Beykoz flat which, like most Turkish dwellings in Germany, helies the popular myth of squalor. Much is contradictory in the relationship between Turks and Germans, with the average Turk holding Germany —and the Germans—in high regard while the Turk is seen as "just good enough to sweep the streets of German cities.

Home facilities

The Beykoz flat is oven-heated and the lavatory is down a flight of stairs. Only one in 100 Turkish Gastarbeiter has central heating, only one in 15 has a hsthroom and only every third Turkish family has a lavatory in their flat. This section of Berlin was inhabited by Polisb immigrants before the First World

Unlike the Poles, though, tha Turks in Berlin are amhivalent about their future here. Osman says the family will return to their village in Anatolia "in the next few years." But Anyu says she wants to remain in Berlin which is home to her. She has not seen her native country since she was brought to Germany at the age of two.

Osman Beykoz earns DM 1,850 and his wife DM 1,600 a month. They pay DM 285 a month rent and only recently the parents rejected the offer of a flat in a would have cost an added DM 75 their Turkish employees. a month, plus heating costs. remits DM 1,000 a month to his with the Germans at work who father and father-in-law in Tur- are key, which goes a long way while their fellow workers are toward supporting 18 close rela-nesrly all foreigners. Relationtives in the village.

hard, be is "close to growing people, are often strained and thiogs" and says he feels less the words "camel drivers" weary than his wife who works in the constant din of the wind-ing shop. Ayten Beykoz earns The nearly half the family's income, leaves the area in which they hut she has virtually no say in bow it is spent. However, she does not show any resentment and ssys that her husband is West Berlin. They have never good to his children and their heen to West Germany, but they families in Turkey.

Both husbaod and wife are regarded as "willing sod industrious" by their employers but which is much cheaper than in they are sald to be more West Berlin and which the difficult to approach than family enjoys because as Anyu Spanish, Greek or Yugoslsv says, a "man in a hlack suit Gastar beiter. The large companies, such as Siemens and notes, she roda the underground AEG-Telefunken which offer all alone to the fashionable



more affluent relatives who work in Western Europe. Remittances last year were worth more than \$1.50m

EMIGRANTS' SAVINGS BOOST HOME ECONOMY

1T 1S the emigrant workers who have kept the Turkish economy turning over during the past two years of crisis. More money is remitted to Turkey by the 700,000 workers in Western Europe than is earned by exports. Their savings are equivalent to at least four times the \$1bn which Turkey claims as its

reserves.
But a flourishing black market means that only onethird and one-half of remittances go through officia channels. In the first 10 months of last year these remittances totalled \$1.5bm.

Between 1961, when Turkey hegan exporting workers to Western Europe, and 1978, an estimated 840,000 workers were sent abroad. Most of these were before the 1973 oil crisis, since when recruitment has virtually come to a halt. In 1977 an. estimated 72 per cent of the 1.6m Turkish workers and their dependents ahroad were in Germany where they form the largest group of foreign workers. Saudi Arabia, Lihya and Knwait have recently hecome important destina-tions for emigrants.

There is a growing number

of industrial projects in Turkey financed by Turkish workers' savings. Surveys of Turkish emigrant workers have found a number of disquieting features. Many emigrant workers have returned less qualified than when they set off. They were often employed in menial jobs, rarely learning a fresh skill and frequently not even using the skills they had. Employers in Tarkey have tended to be reluctant to those who have employ worked abroad - and thus

of their workplaces. Further, emigration has tended to accentuate regional disparities. Most emigrants have come from the richer areas and have tended to be the better-off members of the community even before they

Emigrants' have tended to stay ahroad. A survey of one area found that only one in eight of those who had found jobs abroad had returned. Undonbtedly, ...the workers infinenced social attitudes, whether in their approach to women or such issues as family planing—but only to a relatively small extent. Furthermore, since they often return to cities rather than to the villages. from which they originated, but now find restrictive, their influence on the countryside is often limited.

their foreign workers, say there and walked through the streets same games." Another boy says to hold dual nationality has long modern high-rise building that is bardly any response from Osman and Ayten comment

generally get along mainly their superiors, directed at them are often

The Beykoz family rarely live and work and only once did they make an excursion to the lakes on the outskirts of cross over into East Berlin every few months to have a Isrge meal in a restaurant

with their fine homes and welldressed people. The only Turks the market to huy something there were the cleaning women, they always refer to it derisively there were the cleaning women,

developed higher expectations

Oşman is strict with the children, insisting they take part in language and religious instruction given by the Turkish ives in the village. ships with Germans in the Consulate. Some of the children Although Osman's work is neighbourhood, mainly elderly are beaten by the mullah who has hung a picture of the Ayatollah Khomeini in the classroom. By the time Anyu is 15, Osman thinks she will have had enough learning and should leave school to help her mother with the housework.

Anyu's class at school is made up almost entirely of Turkish children and she says it is much better to be in a class with German children as they "do more things and visit different places." German teschers conbetter when they are together with German pupils.

that, although they come from than many Turkish workers

when his parents send him to of the many Turks who shop.

Girls sent home

Aynu says she knows of several teenage Turkish girls who were sent hack to Turkey. hy their fathers and were very unhappy there and could speak no Turkish. They had expressed the wish to learn a trade and, in one case, the German authorities had to step in to prevent an 18-year-old Turkish girl from heing sent back because she had a German boyfriend.

Osman regularly reads the Turkish newspaper, Tercuman, which is flown in from Istanhul firm that Turkish children learn and has pages with contributions from Turkish correspondents in Berlin, Cologne, Frank-Ooe German child says the furt and the other cities with Turkish children with whom he Turkish Gastarbeiter. He knows attends school are "OK" and more shout German politics

and is able to identify Herr Schmidt as Chancellor and the existence of two major parties, Left and Right.

However, he is far more interested in the political prob-lems of Turkey and, more than with any of the other groups of Gastarbeiter in Germany, the homeland's political strifa is reflected among the Turks here. One Turkish resident of Kreuzberg speaks with fear in his gyes of the "grey wolves" who, he says, were responsible for driving him out of the barbershop he owned in Turkey and who have continued to threaten him in Berlin, Recently, bands of fanaticised Right-wing Turks descended on Leftist countrymen and killed one man handing out leastets warning against a military takeover in Turkey.;

Neither Osman nor any of the other adult Turks one meets in Berlin say they would ever consider becoming German citizens, although he could take out citizensbip next year after living in Germany for ten years. Aynu, however, says she would not mind being a "Deutsche Frau one day, although she would heaven to be a superior to the same of the like to retain her Turkish citi-German language classes to West Berlin suburb of Dahlem another country, "we play the zenship. A Bill allowing Turks been bogged down in the Turkish parliament

Until now, West Germany has of Immigration, and West Berlin has broken ground by becoming the first German city to launch a major programme to integrate the large number of foreigners. The effort comes none too soon, since there are forecasts of a social upheaval in West Germany's cities when Aynu and other Turkish children swarm on to the West German job market without adequate education - and with far higher aspira-

tions than their parents.

For walled in West Berlin, the growth of the Turkish population is proving to be an important factor, as the Germans are declining in numbers. If the present trend continues, the Turks will save West Berlin from a sharp decline in population — and perhaps even create the largest Muslim city in central Europe.

one DISK official says angrily.
"The Government is inviting

this by denying our members

any legal channel for their com-plaints." The official states that 50 members of DISK have been

shot dead by opponents in the

In 1978 the Ecevit Govern

Leslie Collett

Conflicts in labour relations

worse to come. Austerity has involved a slump in real earnreverse this as the major 24month wage contracts are renegotiated. But it promises to 1979. be a messy affair.

tant metal workers' union, shows the strength of beliefs that the workers' problems sre not the workers problems are not merely economic: "We are preparing for a great struggle against intense exploitation by the monopolies," says the union. "The struggle is not separate from the struggle against imperialism and fascism."

DISK, the left-wing union confederation which is the leading grouping in private sector factories and says it is a class organisation aiming to hring socialism, also warns that sacrifices may he imposed by force. The Government's attempts to tighten workers' belts in accordance with IMF prescriptions will lead to an attack on union rights freedoms, it warned receotly.

Labour relations have become a political minefield, hut there are solid economic reasons for this. Unemployment is high, exceeding 20 per cent of the labour force in urban areas. And joh effers are few. When the PTT, the Turkish Post Office, recently advertised 125 johs lt had 2.800 applicants.

Further, for all the muchpublicised large wage increases. earnings have lagged far behind prices. Some senior Government advisers question this fact, but none the less statistics put out hy one pensions

per cent to 97.3 in the martial involved a slump in real earn- law period of 1971 and 1972. ings. In the next few months, The index rose back to 105.2 many unions will be trying to in 1976 but has since slumped: 102.5 in 1977, 83.8 in 1978 and 70.7 in the first six months of

In general, civil servants have Maden Is, the large and mili-ant metal workers' union, workers. Such figures probably only slightly overstate the case and major employers confirm that the trend has been against the workers. However, they point out their

own problems, too. Factories have been producing at between one-half and two-thirds normal capscity. There have been shortfalls of raw materials and energy. Unions have not cooperated in matching their work hours to the availability of electricity. And they say that legislation is against them.

Severance payments

"The laws were designed to protect the poor worker of the 1930s, but today it is the work pisce, rather than the worker, who needs protection," a major industrial group comments.

One particular grievance is the level of severance payments. These have become so high that the present and past governmany firms could never contemplate paying them. According to one calculation, the severance payments which would have to be paid in the state industrial sector are much higher than the

total capital employed. But the unions too have their when this supported the banning complaints. They claim that of the traditional May Day rally legislation does not allow tha last year Last year DISK split, group with the most workers to the he sure of representing a work Maden is and some other unions.

IT HAS been a painful time in organisation are revealing. On place and call for the right of However, joint fears of the read that DISK has been mixed for both workers and the hasis of 1963 as 100, they referended. Further, they "fascist threat" perceived in up in violence in the luting, employers—with the threat of show that real earnings fell 14 argue that though they are the present Government is help—one DISK official says angrily referendum. Further, they argue that though they are often presented as violent they are most often the objects of violence. Conflicts between police and

workers are far too frequent and it has to be said that the workers often have a point in their complaints. Health conditions are virtually unsuper-vised and appalling. One group which was set on by the police had sat in because they had not been paid for a month. Some of their demonstrations have been eye-catching. One group of workers marched 400 miles from Mersin to Ankara to complain at the dismissal of 847 workers and their replacement by rightwing unionists. Another group of 250 workers was photo-graphed blindfolded and holding an electric cable. threatened to let the current pass and brandished a banner against the owners of the iron casting plant where they worked: "It is hetter to die. than to live in hunger."

The whele union movement suffers from the degree to which it is affected by party politics. The oldest confederation, Turk Is, has about a million members and is particularly important in the public sector, its leadership is divided between supporters of

DISK has around 600,000 members. Its leader, Mr. Abdullah Basturk, used to be a deputy in Mr. Ecevit's party but quarrelled bitterly with the Ecevit government, particularly when this supported the banning leadership suspending

ing the two sides to find unity.

There is a tiny confederation. Hak Ia, supporting the pro-Islamic National Salvation Party. There is also a small but militant confederation, MISK, supporting the Nationalist Action Party. This has about 25,000 members but lost ground when the last government replaced many government officials and corporation haads sympathetic to the NAP.

Costly divisions The divisions of the workers movement have cost the unions least those for State sende dearly. They have prevented unions in the same field jointly out in mass protest three years ago. And, on the economic least it is determined to reside where workers have been told policies which involve further that they must either join MISK sacrifices by its members that they must either join MISK or be dismissed. The authori-ties have little sympathy for such falk, seeing DISK as

ment reached a "social contract" with Turk Is. DISK always injected to this and the contract has since quietly collapsed. New the future is likely to he tn-On the political level, DISK

past few months.

strongly opposes some of the

With Ecevit we might our rel, but we could at least tall. With this Government we can Memhers of DISK claim that such efforts by employers are helped by the local police and ministry of Lahour officials.

With this Government we can not even discuss matters," on official said recently. Neighborship of the local police and pared to pull its punches.

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TURKEY XI

Funding is the banks' major difficulty

TURKEY'S BANKS weathered one storm. Ministers n the Ecevit Government used to attack them as a "club for the elite " and as part of a pankrupt system, yet when it same to their reforms in the banking law the mountain brought forth a mouse. But the banks are still having to deal with the implications of the country's economic crisis. And these are perhaps more severe

The banks' main problem is funding. During the heady years of 1976 and 1977 they were ble to borrow over \$2bn from Western banks and to lend them on to domestic clients at a con-biderable premium. That siderable premium. That scheme of convertible Turkisb lira deposits whose foreign exchange riak was guaranteed by the Turkish Central Bank has long been atopped and pot in the museum of monuments of governments. museum of monuments of governmental folly.

Further, the banks are finding that the credit squeeze pre-scribed by the International Monetary Fund is beginning to bite. Overall credit limits are being held down and a bigh proportion of such credit as is available from the Central Bank is being allocated not to the private sector but to Turkey's State Economic Enterprises.

of-living index rose 73 per cent months when personal and corbut consolidated deposits with porate tax have to be paid. the commercial banks only rose 52 per cent. Further, the liquidity squeeze is being passed on. Commercial hanks' loans only rose 39 per cent in that period,

" Industrialists" working capital is melting like snow, comments Mr. Sakip Sabanci, Chairman of Turkey's Union of Chambers of Industry and Commerce and head of the buge Sabanci Group. A few hundred yards along the Istanbul wateranne to say—that firms' profit commercial groups. The Sabanci usually hidden margins and that many firms face major liquidity problems. Inflation means that they need ever larger sums to buy the goods and raw materials to keep producing, but the banks have the Sabanci group has a minority little to lend. Mr. Sabanci adds: holding. A new development

THE TOP TEN BANKS (Total assets on December 31, 1978)

•	TL bn
Turkish Agricultural Banki	133.8
Turkiye Is Bankasi	116.9
Akbank	66.7
Yapi ve Kredi Bankasi	56.7
Turkiye Halk Bankasi	25.6
Turk Ticaret Bankasi	24.6
Turkiye Emiak Kredi Bankasi†	21.0
Turkiye Vakiflar Bankasiy	19.0
Turkiye Garanti Bankasi	13.5
Ottoman Bank	13.1
7 State-owned banks.	

Source: TIB Annual Survey of Bank Balance Sheets.

is that the Kozanogłu-Cavusoglu

construction group bas just resurrected the long-quiet Hisar

Such moves have attracted

considerable criticism. Yet there

long was an inescapable commercial logic—that it was in the

firm's interest to contro! a bank as if that bank then owned over

25 per cent of the organisation

to which it wished to lend there

Changing the provision was one of the aims of the reform

in the 1958 Banking Law which was finally enacted last August. Now owned aubsidiaries will

credit-but only where new

status quo," commeoted one of

Turkey's leading bank jonrnals,

last October. However, it also did take certain measures to

encourage wider ownership of

banks, to discourage the family bank, to adapt controls and

penalties to inflation. It im-

proved the definition of certain concepts in the law. And it re-

solved a number of practical

problems which the banks are

facing, such as over the taking of collateral and the arranging

of letters of credit for projects

But it has done little to alter the basic 1930-style spirit of the Banking Law nor to deal with

the need to adapt Turkey's

financial institutions better to

handle the requirements of to-

be subject to limits on

The law has protected the

were no limits on loans.

loans are concerned.

you squeeze the money supply too much when firms bave already reduced production it is very dangerons."

For some of the smaller companies the answer has been to borrow at the high rates demanded in the small parallel banking sector—a handful of bouses offering the depositor 41.5 per cent as against the 24.5 per cent offered by the banks and charging the borrower correspondingly more. The more traditional firms consider this a The figures partially tell the dangerous course but for some tale. During the year to of the smaller ones there is little October, 1979, the Istanbul cost-option, particularly during the

Source of finance

The weakness of the formal capital market and the inadequacies of the stock exchange mean that the banks bave long been an important source of finance for industry and com-merce. Until 1967 all this finance was short-term but suice then longer-term finance has become progressively available.

The importance of the banks has long made them an attracshrinking abares of Akbank, Turkey's nany firms second largest commercial bank. The Koc group has a controlling share in the Turkiye Garanti Bankasi, the fifth largest commercial bank, and one in which

need drastically to increase such facilities as home mortgages to the contrary problem of how to ensure that the banks channel less funds to their own build-ings and more to productive investments. But bowever circum-scribed by regulations, two matters at least show the powers of the banks—that they have been able to block attempts by the armed forces pension fund to set up a bank and that their profitability is extremely high. One bank study records the dif-ference between the weighted cost of liabilities and capital and the weighted yield on assets as being some five times that obtained by bankers in the West.

The problems range from the

Nonetheless, Turkey only offers limited scope to foreign deposit-taking institutions. deposit-taking institutions.

These are tightly restricted. The
Ottoman Bank once used to act as Central Bank for Torkey but now it and the four other foreign banks account for a mere 1.7 per cent of credits outstanding. The Bank of America bas a shareholding in a further bank. and has just won a management services agreement with the Turkiye Garanti Bankasi.

The general nature of the whole sector means that there is little room for fine tuning in managing the economy.
Attempts to direct credits to desired policy ends by offering a range of interest rates have had little success. Previously, restrictive credit policies have often foundered on the ability of banks to find ways round the regulations or on firms' ability to sell stocks to raise cash.

But now the boot is beginning to squeeze—and Mr. Ismail Hakki Aydinoglu, the governor of the Central Bank, has established a reputation for ensuring that political pressures do not alwaya override monetary targets. It is a change from the situation under some of his predecessors when the writ of the Ministry of Finance dominated the Bank. But if Mr. Demirel continues his policy of sweeping out all officials appointed by his predecessor, he might seek to bave Mr. Aydinoglu moved when the General Assembly of the Bank meets in April.

ARTIFICIAL AND SYNTHETIC FIBRES INC.

SASA plants cama on stream in 1968 with a polyester production capacity of 5,000 tons per annum. Within a decada this capacity was increased to 42,000 tons/year and an expansion project up to 70,000 tons/year is

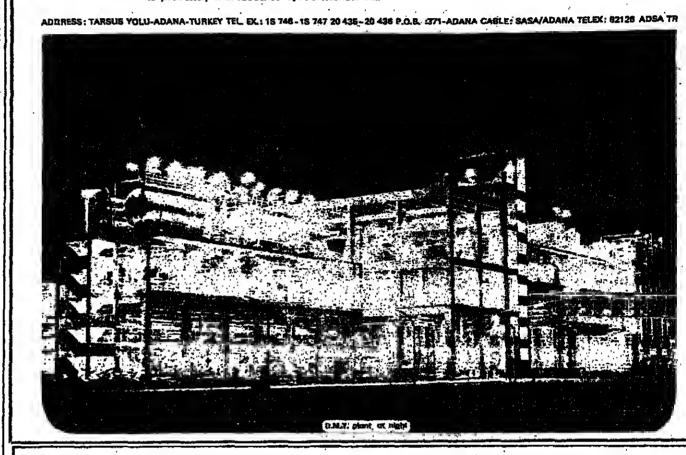
SASA, the biggest synthetic fibre producer in Turkey and in the region has expanded into a complex with the addition of the DMT (Dimethyl-Terephthalate plant, Tha capacity of this plant is 60,000 tons/year, but it is designed to expand its capacity up to 120,000 tons/year with a comparatively minor investment.

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Foreign investment slow

. In more than a quarter of a elsewhere. century the country has been able to attract only TL 2.8bn from abroad—less than \$60m at the current exchange rate.

Despite its many advantages. including a large local market. considerable industrial capacity, association with the Common Market and proximity to Middle East markets, the number of foreign companies operating in Turkey is 97. There has been no foreign investment of any significance in the past three

Ohstacles in the way of foreign investments in Turkey are more the result of mental attitude than of legislation. The within two years.

But official attitudes in Ankara are still strongly influenced by memories of the Ottoman era, when Western compaoies virtually colonised segments of trade and industry under the so-called capitulations."

further reinforced in the 1950s when a handful of investors, taking unfair advantage of conditions prevailing at the time, failed to implement their projects fully. In some cases, market shortages resulted in such high profits that invested capital was amortized

logic and the dictates of the export most of their production in country's economic require will be encouraged regardless ments.

Mr. Suleyman Demirel, the Prime Minister, believes that this picture must change and his Government's 1980 investment programme, which emhraces targets of growth as well Xenophobic sentiments were as principles, provides some in-

> The focus, understandably emphasised in view of Turkey's chrome trade deficit, is on ex-

Under the new guidelines of the programme, the Government will expect "a significant amount of exports" from both

of whether the investments the involve fall under the priority sectors listed by the Govern ment or whether they meet the stipulated ratio for foreign equity participation. The same would be true for tourism projects, which the Government is promising to back up with infratructure investments. These changes waive one of

the iron rules under which foreigo capital has been admissible in the past decade or so: local majority ownership of capital.

Machinery manufacture. chemical and metal goods indusries and investments in the intermediary and capital goods production sectors will be given priority treatment.

The government also promises to do away with the biggest and most exasperating obstacle in the way of foreign investments -bureaucratic red tape.

"Foreign capital has scaled the China wall," said a Turkish industrialist, "but bas been repulsed by Turkish red tape.

New applications

The Demirel programme promises to set up a system which would work semi-automatically, cutting down the time taken by bureaucrats to study

It is understood that a single mireau will be empowered to ook at applications. This may be located within the State Plan-

Opening the door further, the programme states that large procts could be negotiated outside he precincts of these principles. The SPO is engaged in im-proving the "foreign invest-ment code" which was prepared during the administration of Mr. Bulent Ecevit bin could not be published due to the opposition of State-vector minded cabinet ministers. This is being simpli-hed by Mr. Demirel's advisers and may be ready within a

month or two. Mr. Demirel is also working

ar. Demires is also working on a plan to attract foreign oil companies back to Turkey.

"Turkey." he said, "must resort to every remedy to prospect for oil on laod and off shore, make use of every possibility and definitely find oil. To reach this target the current laws and regulations and practice will be changed with courage." While Mr. Demirel is sincere

investors and oil compantes his abroad within the context of Turkey's continuing political instability, the plague of terrorism and economic depression.

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TURKEY XII

Increasing strains in city life

the Turks is one issue on which there is virtual silence. The dsted. mass migration from country to town; the endless queues of the johless and at hus stnps; the eroding of schooling and hospital services; the spread of slums and shortage of housing; the general strains on society which are reflected in the violence-

Turkey's 44m people increasing hy 2.4 per cent annually. The country is well on its way to becoming the most populous member of the Europe to which the present Govern-ment would like to link Turkey's

To many people the need for action is clear. A number of unions sre agreed that family planning should be taughtthough, more ccharacteristically, disagree nn whether this should be in the employers' or workers' time. The grand old man of Turkish industry, Mr. Vehhl vices necessary. One-balf of the Koc, frequently calls for limiting population of major cities lives families. Surveys of women have found that many are keen, not least in order to protect their health, to do this.

Bulent Ecevit did little, though Europe, causing the inevitable did open the doors for people, such as midwives to he more tion has long ceased to he the active. That of Mr. Demirel safety valve it once was. Unhelieves, according to one of its employment now exceeds 20 per top advisers, that population can-cent of the labour force. not he artificially limited and of the parents. It is perhaps symbolic of the problems to he overcome that one Turkish deputy has 13 children and another has 19.

The pressures caused by the

FUNDAMENTAL TO all the 19m people. By 1973, this had much publicised problems of doubled and each year 1m furthe Turks is one issue on which ther Turks have to be accommo-

The years have seen a major shift to the cities. In 1945, 18 per cent of the population lived in cities. Now 46 per cent of a. much larger population are city dwellers. Istanhul has quad-rupled in the past three decades. Surveys show that even in 1965 all these are influenced by the nearly two-thirds of the popula-country's hurgeoning population tion of Ankara and Istanbul had been born in other provinces.

Social cost

"I would never have encouraged the drift from the villages if I had known the social cost." says one man who became Minister of Interior after being Minister of Agriculture. tractor has displaced about six agricultural workers.

As so often in the Third World, the municipalities which bave always heen starved of powers by the capital - bave hen unable to provide the serin the shacks which have sprung up over the hills surrounding cities such as Ankara. Now, 42 per cent of the population is But the politicians have aged under 15, compared with delayed. The Government of Mr. around 30 per cent in Western strains on the schools. Emigration has long ceased to he the

All this is a major change that in rural areas children are from the days after the defeat essential for the economic future of the Ottoman Empire in the First World War and the huge human losses involved. Increasing the depleted population was a priority of Kemal Ataturk. the founder of the Republic. Celibacy taxes were considered. surge in population are only too. There were medals and tax in the deaths of mothers were evident. In 1945 Turkey bad centives for large families, caused by sbortions. The officers directly to population issues and

The pressures caused by the surge in population are only too evident. Around 46 per cent of Turkey's 44m people now live in the cities.

and Italian pre-war style, lution were in favour of family classed among "crimes agains; planning. The Five-Year Plan the integrity and health of the

thing and prsetice in the vil- ming was enacted. Since then, lages another. A 1959 survey family planning facilities bave by Dr. Nusret Fisek found that gradually become available on iofant mortality was as high as a limited hasis, hut the Fourth 165 per thousand live births and Five-Year Plan for 1979-83, preestimated that 53 per cent of pared by the Ecevit govern-

which they usbered in advocated various measures, and in But laws in Ankara were one 1965 a law on population plan-

Ahortion was, in best German who carried out the 1960 Revo- proposes an policies in this field. health. In a country where the State has little to offer the old ning is accused of intruding

> But this argument is less effective than it was and is mainly heard in rural areas. In the towns an extra pair of hands is also an extra mouth to feed. And in both areas the State's ability to supply family planning assistance is lagging far behind the demand for it.

The Fourth Five Year Plan suggests that the ideal family size desired by the family on the Konya omnihus has declined from 3.2 in 1963 to 2.6 in 1973. This is lower than the average shown by more recent surveys but still the experience of some projects, such as that at Etimesgut near Ankara, shows that the rural population is planning. Even without such in nine are using methods which are reliable

proposes no policies in this field. The Right-wing parties, in par-Those favouring family plan-ticular the Nationalist Action ning find it best to present it as "Party, see Turkey as needing a part of wider projects aimed at large population to provide it improving maternal and child with a strong labour force and a steely defence. Family planis inevitable that many into the intimacy of the Turkish parents see their children as family, as being harmful to their security. women's health, and imposed by imperialist countries and those with "suspicious purposes."

> Such views have led to discreet attempts to undermine integrated mother and child health projects, including at Yozgat funded by the UNFPA UNICEF and the Population Council. In one case villagers have been tald that the coils given to them are "Moscow's ears" and will allow the Soviet Union to listen to all they do. _

Elsewhere, family planning aftempts bave often been so badly administered as to be counter-productive. Yet, in general, the population is more ready than the State's services. Projects in this field are meetreceptive to education on family. Ing a satisfactory response—and could be so much more effective education around two couples in with backing from the Covernfive are using some form of ment and the State media for a contraception, though only one cause which seems self-evident

D.T.

Upheavals in education

seriously—too seriously. The university campuses have virtually become barracks and lecture balls are liable to have a patrol of gendarmerie osten- death list found last month. tatiously guarding the aisles.

THE BATTLE for hearts and welcome. In the violence, closed Now the incidents tend decoration but not for elecminds in Turkey is being taken hundreds of students bave died. Further, six university lecturers and professors bave been killed In the past year and three others were included on a right-wing

fields of war and, increasingly. so are the bigh schools. Politici-In the past, the universities sations seeps low, affecting even Such precautions are generally have frequently bad to be students of 14 years of age. Standards are suffering. Sur-

vival has become more important than study.

tn take place in student hostels.

the streets or the cafes where

students meet. The teachers' training colleges have long been

inable even to write a good Turkish sentence." says s professor at the influential Political Sciences Faculty of Ankara University.

The demands on the educational system are enormous. At one end of the scale there is a shortage of people with the managerial skills necessary to belp Turkey through its industrial revolution, of mechanical and electrical engineers, o foremen, of secountants, nurses and of secretaries. At the other end of the scale, there is the buge problem of spreading literacy.

Aggravating the situation is drain of doctors and engioeers abroad, the problem of obtaining teaching and medical staff willing to work outside the major cities and the flight of teachers from a profession which offers them little money, less; prestige and no

The difficulties exist at all levels. The share of GNP devoted to education is less than any country in the EEC-and GNP is of course well helow European standards. Buildings have been unable to keep up with the sheer flood of numbers. In the past two decades those at primary school have doubled, those in middle-level school and lycees nearly quadrupled and quadrupled and university students increased to number hy 400 per cent. Literacy rates have riseo—from 29 per cent for men, and 10 per ceot for women in 1935 to 75 and 48 per cent in 1975.

Shift system

Such figures indicate a measure of success. But the existing schools are over-crowded and sometimes:have to work on a shift system. Further, primary school education is not available to about one million children of that age group, with girls in particular heing discouraged from schooling. The expansion of university education to a point where Turkey has more university students than Britaio is also impressive but has to be seen against the fact that only 40,000 out of the 350,000 applicants can he found pisces.

Then there is the problem of how sultable is the traditional Turkish method of learning hy rote and the issue of structure. Vocational training has loog heen seen needing to be given priority. Both the Ministry of Education and industrialists, impatient at the amount of inplant training which they have to provide, insist on this. But the facilities avsilable are limited—"This is one of our higgest problems," says Professor Altan Gunlap, chairman of the Universities Admission Board.

The existing schools have vagaries. Girls, for instance, may enrol for flower

tronics. They also suffer from a lack of qualified staff, e failing in part contributing to the low standing of a vocational school diploma. Employers admit to preferring almost any universlty degree to even the best qualifications from a vocational

.- At present, all such considerations are overriden by political "About half the graduates ones. Recent changes of govproduced by our universities are ernment have led to fighting in the corridors of the Ministry Education. Under the two Nationalist Front governments of Mr. Suleyman Demirel in 1975-77, numerous supporters of the militant Nationalist Action Party of Colonel Alparsian Turkes were given appoint-Many of these then were shunted aside by the Government of Mr. Bulent Ecevit, but the latest Government of Mr. Demirel has seen the NAP

Training colleges

again gaining ground.

Even before 1975 the NAP had given priority to the teachers' training colleges, apparently hoping to bring up a geoeration in their way nf thinking. Their followers would make entrance to these colleges dependent of the applicant knowing details of Mr. Turkes's hirth. It was one of the successes of Mr. Needet Ugur, who was Mr. Ecevit's Minister of Education, that be managed in set the teachers' training colleges on a more normal course. But it is indicative of the role of the minister nowadays that Mr. Ugur was a former police chief. Policing rather than developing educa-

tionsl policy bas become the sad lot of the ministry. Today; the old hattle has On one level it is overtly political-supporters of Mr Turkes sgainst followers of TOBDER, the Isrgely Marxist teachers' Association which has over half of Turkey's teachers as sympathisers and about onethird as members, according to

one professor. But on soother level it is the continuation of sn old and historical debate. One side of this has always adopted the argument that education is aimed at installing s framework of social and cultural ortho-daxy, at developing the traditional values of the great Turkish nation and increasingly, its Islamic heritage. The other derives from the modern ising reformist current which had some success in the 1830 and was represented by Kemal Ataturk, earlier this century.

Msny of today's heirs to this current development accept wholeheartedly the secularisa-tion carried out hy Ataturk, though they criticise his re-forms for not going sufficiently far and—a recent strand—are sceptical of the West as an ideal.

In various forms the argument has been going on publicly ever since the 18th century traditionalist · dragged a reformist Grand Vizier from his horse and killed him. . It is not going to he settled just now. But it is being fought more bloodily than ever hefnre, at the cost of the quality of education and to the detriment of the next genera

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TOTAL ASSETS 13.501,077 8,843,082 7.006,568 LIABILITIES AND EOUITY 10.303,227 6.892,553 5.620,018

741.062 691.883 1.971,835 918.743 Funds Borrowed 729,535 Other Liabilities 460,305 339,903 TOTAL LIABILITIES AND EQUITY 13,501,077 8.843,082 7.006,568

in Turkey.

İstiklal Cad. Galatasaray, Istanbul, Turkey Telephone: 43 1480, Telex: 24548 GAFO TR Mr. Erkmen, one of the

most respected members

with what ha perceives as Turkey's national interests. He

had a reputation for belonging

to the school which identified those interests as being far more linked with the West than

was beginning to become the conventional wisdom. His

tendency since has been to con-

of the Cabinet

PROFILES OF SOME OF TURKEY'S PROMINENT PERSONALITIES

Turgut

PROBABLY NOTHING demonstrates better Prime Minister Suleyman Demirel's intention to liberalise the Turkish economy than his appointment of Mr. Turgut Ozal as chief economic adviser—Mr. Ozal was the architect of the highly successful 1970 desclusion and account tackdevaluation and economic package on which seven years of fast growth was based.

Mr. Ozal's official titles are Acting Under-Secretary of the State Planning Organisation (SPO) and Under-Secretary to the Prime Minister.

But the mass circulation daily, Gunaydin, calls him "the Cabinet Minister without a Ministry." and claims that he is more powerful than most minis-

In reality, he is to Mr. Demirel in economic affairs what Dr.
Henry Kissinger used to be for former U.S. President, Richard Nixon in national security was head of the Metal Industries

Tha most immediate task of an executive position in a num-fr. Ozal—who left a string of ber of private companies. Mr. Ozal—who left a string of Jucrative positions in private Demirel-is to prepare a programme of economic measures designed to both liberalise and

stabilise the economy.
-. For the longer-term, the 52year-old Mr. Ozal will act as the co-ordinator between the frequently SPO. Central Bank, Treasury to Mecca. and the Ministry of Finance, Mr. Ozal, a short, corpulent man wearing horn-rimmed glasses, has long experience in

hoth the civil service and private business between which there is a vast communications gap and distrust in Turkey. In both fields he rose to positions and gained a reputation for sharp intellect and pragmatism.

He quit the civil service in But to the Left wing be is not 1971 as bead of the SPO, after an attractive figure. The Leftthe generals forced Mr. Demirel to resign as Prime Minister. He joined the staff of the World Minister." portraying him as a Bank where be worked for capitalist with blood dripping nearly three years. He returned from bis teeth." He is not a to Turkey to one of the top jobs in private industry to become the managing director of the Sabanci Group of industries and to run the investment

up to nine hours a day and in-

dustry badly run down as a result, Mr. Esat Kiratlioglu, the 50-year-old Minister of Energy

and Natural Resources, is well

aware that he is occupying per-

haps the most important posi-tion in the Cabinet. "About

70 per cent of the problems

Turkey is encountering stem

For some it is debatable wbether it is an advantage that

Mr. Kiratlioglu—a dapper, agreeable and slightly built man —is by training a geologist. The

training was acquired at Graz

University in Austria, leaving

him with a fluency in German which more than matches bis command of English. Some

argue that politicians should be

politicians and quote "a little

learning is a dangerous thing ":

others maintain that a geologist

has a greater chance of grasp-

ing the enormity of Turkey's energy problems than an untrained politician.

Whichever is the right con-

clusion, the impression of the

man that comes across first and foremost is that he is to his

fingertips primarily a politician. This is not to underestimate his

Bank, which provides davelop-

ment credits for the municipali-

difficult and crucial brief, it is

clear that Mr. Kiratlioglu, like

his lawyer predecessor, Mr. Deniz Baykal, ia facing the hasic

dilemma of Turkish politics. A

Ministry enhances the holder's opportunities for political patronage, but simultaneously reduces the chances of policy

directives being worked out. And unless Turkey's energy

problems are got right—and time spent on getting them right—it will not just be this winter which will be spent in the cold and largely in the dark

by many of its citizens.

years as its mayor.

ings of his party.

be solved by it," be says.



powerful thanmost ministers"

department of their Akbank. After two years with the Sabanci Brothers he left to manage a number of smaller companies in steel and tractor

Employers' Union and beld

Mr. Ozal, married with three business in Istanbul to help Mr. children, is a pious Moslem. To enter his house one has to take off one's shoes as is required before going into a mosque. Like most Turks, he amokes beavily but never drinks. He prays and fasts during Ramadan and has frequently made the pilgrimage

"The only way that Turkey can re-attain viability is by shiftting to the free market economy." be says. He bas plans to cut down red tape, encourage exports, liberalise imports and investments and allow prices to be formulated by market forces.

Mr. Ozal'a appointment was greeted with satisfaction by the Turkish and foreign business community in Istanbul which

wing daily Cumhurieyet, cails him "The Xerox of the Prime from bis teeth." He is not a representative of big money. "He is big

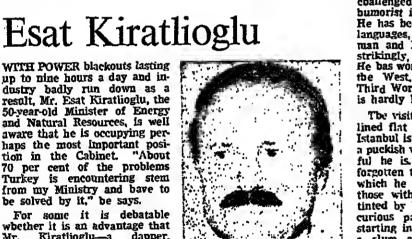
"I worked with the Government for 21 years on a small

was fed up by Mr. Ozal's State-sector minded predecessors. But to the Left wing be is not

is hardly known.

The visitor to his small book- nyms be used and says lined flat of the Asian side of that "the newspapers were Istanbul is greeted with tea and puckish wit. However successful he is. Mr. Nesin has not afraid of myself." He recounts forgotten the problems through which he bas lived, describing 1940s, on bearing he was a those with a warm Irony, un- writer, commiserated: tinted by bitteruess. He bas a chap. No decent job available? curious past for a humorist. That's too bad!" starting in a Koranic school in a slum area in an Istanbul racked by war and Allied Occupation, graduating from the the politicians, lawyers and military high school-" the only decent school available to us poor — and being trained in Ottomans, the Turks or anyone. His tone is that of sympathetic hefore undergoing practical ex-

After leaving the army be jointly edited a weekly which overnight achieved a circulation twice that of the leading newspapers. But his anti-establish-



Mr. Kiratlioglu, Minister

of Energy

ONE FACT symbolises the end to the official welcoming relationship between Turkey's ceremonies which his prepre-ministerial career. He was other NATO countries' chiefs of staff finish attending meetgeological adviser to Iller ties, before becoming its Director-General. He entered Parliament in 1967 as the deputy for his birthplace. Nevsehlr, south-east of Ankara in central Turkey, after four

His most recent job before behind. becoming Minister was to be the Justice Party's Whip in Parliament, which gives him a particular insight into the work-To spend an bour one morning in his office, with its lights suitably dimmed, is to see the politician at work. During this period be received a whole series of people ranging from

mayors worrying about power cuts to constituents from Nevsebir and others boping to get their personal coal supplies through. Each was a potential voter, fighting for attention against incessant phone calls. It is always a delicate balance between the country's armed forces and the politicians. Since 1960, the military's role has been clearly institutionalised. The President has always been a military man. The National When we met later that evening, bis first words were " I Security Council on which they sit has acted as a formal forum have met a thousand people today," and it was hard to disbelieve him. But even given the problems of mastering a

> hered by classmates as having a strong personality which he does not like to show, Today, he is described as a "quietly determined" man. In 1937, be was one of the first class of officers to graduate from the newly opened Ankara military high school. He is described os being humhle. During the Cyprus invasion in 1974 he was Chief of Staff to the commander A. McD. the dark of Turkey's army. Four years later be became Turkey's combined Chief of Staff. One of bis first orders was to put an

when World War Two broke

crats' President, Celal Bayar, on

has stuck to his principles also goes with one for efficiency. Ha

is remembered as the best Minister of Labour of the Demo-

crat decade and already he has

decisiveness. He has also so far

Ministry is left relatively alone.

His predecessor was less punctillous about this rule, but

Mr. Erkmen bas shown more

This reputation as a man who

IN 1960 the armed forces put from Lausanne and economics Mr. Hayrettin Erkmen in prison. from Genava; these included Today, he is Foreign Minister a doctorate.

Hayrettin Erkmen

Today, he is Foreign Minister and, in bis own right, one of the more respected members of the present Cabinet.

Mr. Erkmen's appointment reflects the continuing rehabilitation of the Democrats who ruled Turkey until the 1960 coup. Imprisoned, in some cases are extented they were put on the Between 1950 and 1960, be was deputy for the Black Sca port of Giresun, his birthplace and the town for which he is in 1956 and 1957 was chairman of the parliamentary group of executed, they were put on the the Democrat Party margin of the country's political life. Yet visitors to Mr. Erkmen's

He bas since worked as a lawyer, a lecturer and as a member of the Governing Board of the Central Bank. In the ministry, be faces the

house during this difficult period remember how he insisted on keeping a portralt of the Demoperennial problem of bow to handle a staff which has more ambassadors than embassies and where a number respected diplomats have to watch from the sidelines-though Dr. Kurt Waldheim at least was able to make use of impressed the civil servants at these reserves, taking on secondment Turkey's former representative to the UN to act the Foreign Ministry with bis obeyed one maxim-that, however much politicisus may sweep clean the personnel of other Ministries, the Foreign for him on refugees in South-East Asia.

Mr. Erkmen also has the problem of policy. The first interview be gave after becoming minister was striking for the extent to which it indicated the interest in policies than inbouse politics. His own background combines West
European universities with
years steeped in the Turkish
sollitical process. New great \$4. basic hipartisanship of Turkish foreign policy. He stressed certain nuances, for instance political process. Now aged 64. the previous government may be was in Paris doing post-bave left over Turkey's desire graduate studies in economics to have good relations with the

But his basic approach was out. He returned to work in But his basic approach was Turkey's Ministry of Finance. not to score points off the then obtained degrees in Law Ecevit government but to deal

ment views soon put him on

the Government's black list. He

other of two-hundred pseudo-

writing such bad things

about me that I began to be

bow one man be met in the

His bereos are the hapless

victims of a world they do not

understand and his villains are

policemen of a bureaucracy which could be that of the

irony rather than cynicism, of

hope not despair. And the

imaginative fantasy is superb.

attacking U.S. aid to Turkey. He

later served a prison term for a

series of articles which had "disturbed Turkey's relations

with its allies": in this case he

had criticised the Turkish Press

for writing about the potential marriages or divorces of Princess Elizabeth, King Faruk and Reza Shab — the

penultimate Pahlavi - rather

than the bread that was not available in Turkey. Until the

1960s, his life depended on the

freeze and thaw of the State's treatment of writers. On one

occasion he even supported him-

since made has gooe into an orphanage he has set up west of

Istanbul, In his autohiography be writes: "The events I have written about made me indebted

to, responsible to and obligated

to society. My socialism is a struggle to repay a debt."

Much of the money be has

self by giving Koran lessons.

In 1948 he was arrested for

Aziz Nesin

"IN MY 65 years I have never seen such dark days," says the bumorist, Aziz Nesin. Now president of the Turkish Writers' Association, he recently complained that at least 15 members of his association bave been threatened with death and that they have to try to protect themselves since they do not trust the security forces. Yet, be bimself has known bad days

Mr. Nesin has 70 collections of sbort stories to bis name, has sold more books than any other Turkish writer and is un-challenged as the greatest bumorist in Turkish literature. He has been translated into 15 languages, selling well in German and French and, perhaps strikingly, Greek and Armenian. He bas won literary prizes from the West, the East and the the Government's black list. He Third World. Yet in Britain he bad to publish under one or

perience at El Alamein.

Gen. Kenan Evren

soldiers and politicians. When ings of the alliance's Military Committee they stay on in Brussels to sit at the elbows of their defence ministers at the Defence Planning Committee. Not so Turkey's top general. He refuses to play second tiddle to a civilian and flies back to Ankara, leaving his deputy

As head of Turkey's armed forces. General Kenan Evren occuples the most important post in the country. The military intervened after the 1959 economic crisis and issued an ultimatum after the crisis of 1969. A further ten years on, they have so far only issued o warning to the politicians. But it was a stiff one: "Get together on lerrorism—or

with the Government. The military have ways of making their ways known. Therefore, when they do so publicly, it is a serious matter.

General Evren is remem-

decessor used to expect when visiting units.

He has since opened the armed forces more to deputies and local journalists than was previously the case. His theme is that the armed forces are part of the nation and have nothing to hide.

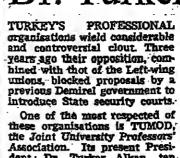
This New Year he described the country's econumic difficulties as "the greatest crisis of the history of our republic." He warned: "Our nation can no longer tolerate those who misuse the extensive freedoms stipulated in our constitution, those who sing the Communist Internationale Instead of our national anthem those who invite the canonical aystem, those who wish to replace the democratic system with all sorts of fascism, anarchy, destruction

and separatism."
Military colleagues describe him as particularly concerned by terrorism and the problem of Kurdish separatism. They say that the commanders were not happy at the restrictions imposed on them during the period of "martial law with a human face" under Mr. Ecevit.

Equally, there have been some raised cyebrows at Mr. Demirel's blind eye to the activities of the right, even if recent meetings between recent meetings between Geoeral Evren and Mr. Demirel seem to have ended cordially.

However, the general apinion is that unlike some of his predecessors General Evren does not seem anxious to step out on to the political stage—and that he exercises a strong influence over his fellow commanders. In general, he is highly esteemed in NATO. The consensus is thus that be is a "scosible soldier." This year will show if the consensus is correct.

Dr. Turker Alkan



Association. Its present President. Dr. Turker Alkan, ten years ago wrote bis thesis at the University of Sonthern California on the role of the intellectual in developing societies. Today, he is face-to-face with bow challenging that

firm that reputation, but, if he needed allies to make his point, Afghanistan has provided them.

D.T.

Closed down. It is a fifter fromy that reputation, but, if he about one-third of Turkey's weakened by the Government which they beloed to put in power, that of Mr. Ecevit. Their future is yet graver under the young and old. Like other civil present Government.

PROFESSIONAL servants they are no longer wield considerable allowed to form trade unions. In many cases, the response to this ban has been to form associations whose role has often spread to the political sphere. The police organisations, the radical POLDER, and the much smaller Right-wing POLBIR, bave been particularly controversial.

Most radical of the associations is the buge teachers' move-ment, TOBDER. The president of this, Mr. Gultekin Gaziogin is in prison aweiting trial. It has considerable influence with the taachers. A one-day boycott of classes which TOBDER arranged. to commemorate the first anniversary of the 1978 Kahraman-Of the six university professors shot dead in the past year, five were members of his association. One, Needet Bulut, had been TUMOD's general secretary. Anothar, Umit Doganay, had founded its Istanbul branch.

"Nona of them were militaria" says Dr. Alkay and it is associations supporting the second of the six university professors and says dead to 3,500 teachers and far 4,243 teachers bave been summarily dismissed for disconsistents.

Associations supporting the says "says Dr. Alkay and it is the says of the 1978 Kahraman-maras massacre when 100 people died, led to 3,500 teachers and far 4,243 teachers bave been summarily dismissed for disconsistent and supporting the says "says Dr. Alkay and it is the says of the 1978 Kahraman-maras massacre when 100 people died, led to 3,500 teachers and far 4,243 teachers bave been summarily dismissed for disconsistent and supporting the says of the 1978 Kahraman-maras massacre when 100 people died, led to 3,500 teachers and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and far 4,243 teachers bave been summarily dismissed for disconsistent and disconsistent and disconsistent and disconsistent and disconsistent and dis

"Nona of them were mili-tants," says Dr. Alkan and it is Left generally have far more professors who, in the West, members than those supporting would often be classed as the Right. The past year of liberala who say that they no martial law has seen TOBDER longer dare aleep in their own and many other associations bomes. closed down. It is a bitter irony

The extension of their activities to the political stage is seen. as essential by Dr. Alkan-"Our aim is to protect the interests of university teachers and advance them professionally. But, how can we concen-trate on professional issues alone when our members are being killed? Of course, we raise our voice and find ourselves taking sides.

TUMOD has always con-demned violence. It has gained a reputation for seriousness and for the value of work and analysis. It bad a flourishing dialogue with Mr. Ecevit's minister of education, not least on the proposed new university law. But Dr. Alkan says that there has been a change of attitude since the present government took over. He cites the case of when a number of his members were allegedly beaten up in Istanbul by soldiers at the funeral of a murdered professor who bad also been a member of his association.

He argues that the terrorists aim to cause the State to abolish the freedoms in Turkish society and criticises a new bill to limit the activities of associa-

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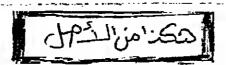
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restaurant. One of the customers a local magistrate .killed. Guney was sent to priso for 16 years.

continues to Sourishing film and publishing husiness from prison, writing screenplays and hooks the screenplay of Suru (The Herd), which he wrote shown at the London Film Fostiva was filmed by one of his former assistants. Zeki Okten.

Working on shoe string budgets, almost constantly in a state of crisis, the industry receives no help from the State. A new Bill prepared under the Government of Mr. Ecevit, the former Premier, was just com pleted and submitted to the Cabinet by the Ministry of Culture when Mr. Ecevit resigned.

The law was to abolish em-sorsbip and set up a Turkish Cinema Institute which would build a modern studio, impari equipment and advance credit to priovate film makers.

unlikely that this Bill willow tabled by the Conservative Government of Mr Demirola: The currency shortage has also bit Yesilcam (Green Pine).

the Istanbul street which is the Hollywood of Turkish filmdem. The production of colour feature films, which was 213gin 1976, dropped to 102 in 1978 for lack of film and chemicals, the laboratories.

Sman Fisek

Success in overseas construction

IV WORK in the Middle And the potential is tions, were very limited. At this when I have so much work undoubtedly there. The Enka stage, Turkish companies were out " was the gist of what holding group, one of the concentrating was a second to the concentrating when the concentration were second to the concentration when the concentration were second to the concentration when the concentration were very limited. At this when I have so much work undoubtedly there. ou?" was the gist of what holding group, one of the Sileyman Demirel, the Turkish pioneers in winning Trime Minister, told a group of or ractors who visited him last Middle East, earned through pir was that they had out- \$75m between 1973 and 1978. "Turkey-and, in some and hope to earn the same sum grees, their pride is justified. Some 29 companies are Mr.

involved in more than 40 con- Foreign Affairs Manager, they racis. The Turkish share in currently have bids in far conhese is about \$2.5bn. But until both Turkish contractors and win shortly new ones in Libya orkers are given greater incen- and Saudi Arabia worth \$100m. tives by the Government to through official channels-and Middle East began with Enka's

state will remain low. officially example. declared net receipts, according to Finance Ministry calculations. reached only \$55.2m (of which declared workers' remittances were \$15.5m) in 1978. This year. to \$150m-a modest sum when the possibilities are considered.

However, the main companies involved are optimistic about the future for two main reasons. First, they are coovinced that Demirel governmeot (political developments permit-tion) is more aware of the polential of this sector than the administration was. Second, it appears to be serious in efforts to ease the problems that the companies have in

construction contracts in the profits and workers' remittances this year slone. According to Mr. Temiz Ustun, Enka's tracts worth \$8.5hn, and hope to

The first serious involvement their earnings of Turkish companies in the more support in bidding for in 1971. Efforts were pre-contracts—direct gains to the dictably intensified after the 1973-74 rise in oil prices and the expansion of local development plans. Since then a total of 17 contracts have been completed: 10 in Libya (mainly cement and limestone plants, and the construction of ports, barracks and civilian housingli four in Saudi Arabia (a cement factory and city infrastructure in Mecca): two in Iraq (a power station and a bridge across Shatt el-Arabl: and one in Abu Dhabi (an electrical trans-

mission line). According to Tusiad, the Turkish Industrialists Businessman's which is compiling an analysis of the operations of Turkish contractors in the Middle East, the profits made on these contracts, with one or two excep- not.

Who says it's easy doing business with Turkey?...

essential strategy of making a 25 per cent tax on that com- Third, because of the prob-lasting contacts and establish- mission — makes it highly un- lems of obtaining foreign ing reputations. Furthermore. for tax reasons companies were keen to understate any profits

The 29 main companies now involved in construction contracts are concentrating their operations in Libya, Saudi Arabia, Iraq, Kuwait, and the United Arab Emirates (UAE). although some interest is also heing shown in Algeria. Precise estimates of contract values are almost impossible to calculate and three studies undertaken hy Tusiad, the Kutluta, bolding group and Garanti Bankasi have all produced different calculations. But of the \$2.5bn worth of business, about 55 per cent is in Libya, about 24 per cent in Saudi Arabia, and about 17 per cent in Iraq. The rest is divided between one contract

report outlining their main concerns and difficulties. The first was financial and is directly related to Turkey's international credit rating. Letters of guarantee from Turkish hanks are not acceptable everywhere. example, while Iraq and Libya

apiece in Kuwait and the UAE. Just before Christmas a group of Turkish contractors involved in the Middle East presented the Government with a amounts-without

accept them, Saudi Arabia does

an average of 4 per cent, plus permissi competitive to raise money in Turkey in comparison with the

international market. In addition the size of some of the contracts bid for (and of) the bank guarantee often comes up against the regulation stipulating the value of one bank's guarantee should not exceed 10 per cent of its capital. However, the Government has now decreed that a consortium of banks can be formed to issue a letter of guarantee, and, to overcome the problem of the acceptability of these letters, the possibility of government-togovernment agreements is being explored.

Labour laws

Second, Turkish labour laws require a minimum wage which has begun to make Turkish labour uncompetitive. example, in Saudi Arabia this additional payments for food, housing and social security—to 1,500 riyals/ month (\$445), which contractors

Korean workers are paid. In addition, employers are required by law to repatriate 15,000 Turks in the Middle East, directly from the pay packet and non-Turkish contractors 30 per cent of a wnrker's earn- another 70,000. ings. But in Saodi Arabia, for

Furthermore, the commission example, money cannot be sub-on these letters of guarantee — tracted without the worker's realised their full potential and Third, because of the prob-

> exchange, and sending machinery and people to foreign sites, contractors have been holding foreign exchange outside Turkey for easy access. Finally, as a result of industry as a whole being run down, Turkish construction companies are at a further disadvantage to their competitors because of difficulties in obtaining such

> In Turkey's favour is the fact that its companies are better acquainted than some with Middle Eastern geographical and social conditions. Interestingly, contractors have not found it an advantage to be Moslem except when bidding for projects in Mecca and Medina, the holy cities, which

are barred to non-Moslems. According to Mr. Aydin Gilingiroglu a senior adviser to Kutlutas, Turkish workers' productivity, skills and experience are much valued. (Mercedes-Benz have found the transfer of workers from Germany to an assembly plant in Jeddah a successful operation.)
As a result, Turkish construction companies employ about

The point is made, too, that

What's new at KOC?

In 1979, KOC committed itself to a

major investment in Turkey's future

undertake oil exploration in cooperation

·Automotive castings to UK and Germany;

Fridges and washing machines to Iraq and Libya:

and set up a new subsidiary to

with international oil companies.

· Cars to Egypt, Jordan and Kuwait;

·Glass wool to Saudi Arabia and Iraq;

Processed food to Switzerland and UK.

TV sets to Germany and Algeria;

·Home radiators to Jordan;

Farm tractors to Pakistan:

· Textiles in Germany;

Exports also are making news.

Oil is new.

their attitudes towards operating abroad. Twenty-nine companies out of several hundred equipped in bid for Middle East construction projects is a small

proporting. So far, companies have not moved into heavier industry or more ambitious projects, such as dam building. Some of the expertise from the economic enterprises could be tapped for the boilding plants for metal work and textiles, as surpluses and its unexploited well as cement and sugar mills. agricultural potential remains Tusiad estimates that in the next few years Turkey's shere of the Middle East market

could rise to \$10bn.

But Turkish contractors will need considerably more practi-cal encouragement from the Government as grows from developing countries, from second-league Eurocountries. from Dean companies, and from other Western companies which have diverted their energies to the Middle East because of the recession in the industrialised world. This competition is expected to be sharpest for contracts between \$10m and \$100m. But above all, it will be in the Government's own interests to help, because otherwise it is denying itself foreign currency.

Good prospects for increasing food exports

TURKEY IS one of less than 10 investments fell short of the countries in the world which are Government's targets and invest Turkey is more fortunate than however, surpassed the target of the majority in this small club 30 per cent per year, as it generates exportable agricultural potential remains

Turkey has more arable land than any other country in Europe, except the Soviet Europe, except the Soviet Union. Only 2.6m bectares nut of a potential 8.5m hectares of from the were under irrigation last year, competition an indication of the gap between production and potential which the country pos In the years ahead, Turkey will remain a large market for agricultural inputs such as

fertilisers, pesticides, and farm machinery as well as capital goods for agricultural projects building. By the turn of the century, the country is a candidate to become a major exporter of fruit, vegetables and prossed foodstuffs as well as traditional exports such cotton, tobacco, bazelnuts and sultanas. Even though governments

have been obsessed with industrialisation since the 1950s to the detriment of agriculture, Turkey remains a pre-dominantly farming country. Agriculture accounts for approximately 26 per cent of GDP and 70 per cent of exports, and it employs some 60 per cent of the population. Despite its relative neglect

the sector has shown remarkable growth in improved technology and widespread use of fertilisers and pesticides have contributed to increases in agricultural output. statistics show that the increase in the output of agricultural commodities in the period between 1970-77 was 27.3 per cent in Turkey compared to 18.8 per cent in lesser developed countries. Growth in the sector overall has averaged.

fortunate enough to be virtually ments as a percentage of the self-sufficient in food. In fact, total declined. Mechanism Last year was the fourth en

secutive good year for Pu agriculture with total par tion slightly below the preyear's harvest and agriculture as a percentage in the GMP declined by 2.4 per centrific 24.9 per cent, according to the projection for the total reses. The Fourth Five Year Development Plan, which went into effect last year, foreign a 5.3 per cent amusi development rate for agriculture 7.3 per cent annual increase

Wheat stocks

the export of agricultural

The Government's nurchases last year and helieved to bave amounted to 1.8m tons, which was below expectations. stocks are considerably lower than those of the previous-two years and the government is very cautious in making explire commitments.

Official estimates for the 1975 cotton production are for 481,000 tons. Export registrations by the beginning of December last year were 44,000 tons or about 60 per cent below the previous year's. Registration is expected to be slow until the Government raises the low exchange rate for agricultural

exports.
The tobacco crop in 1979 is estimated to be 242,000 tons or about 16 per cent-lower-than the previous year's harvest.

The Government has set the agricultural export target at \$1,500m, or 25 per cent higher than the estimated earnings of 1979, for the current year. This would constitute over 54 per cent of total export revenues. 4.2 per cent per year over the

A precedent was set in 1966

in the fight against censorship. The censors, who didn't seem to

mind sex and violence, merci-

lessly clamped down on any-thing which bad the faintest

hint of a political message.

Dovon Sagirogh, the director of The Endless Road (again starring Hakan) filed a suit at

the Council of State to have the censorship decision banning his

A board of experts - made

watched the film and decided

there was no harm in showing

it. The procedure took about

two years and commercially the

film was a loss, but it paved

Most critics agree that the

with the emergence of Yilmaz

he made from his more popular

products to set up his own com-

pany. In 1968, he directed "Eeyyit Hans," a partly

surrealistic fable of love and

revenge in eastern Turkey. In 1970, he made what most critics

consider his masterpiece, Umot

He was working on a film

about migrant cotton workers in the Adana area, "Endise"

(Dread), when he was involved

in a shooting incident in a

(The Hope).

up of university profes

film lifted

Film studios seek end to censorship

AS HE enjoys a quiet drink in rised by a law dating from 1930 a local har and discusses his concerning the "duties and yacht with another captain, rights of the police," began to yacht with another captain, there is little to distinguish crack down on "political" films. Fikret Hakan from the Istanbul jet-setters who crowd the southern Aegean town of Bodrum, throughout most of the

Over six feet tall, with a dazzling smile under a salt-andpepper moustache, Fikret Hakan is, at 45, the most durable of

"The reason why I prevailed." he said over a glass of raki, at one of the seaside res-taurants, "was that I was lucky. started playing leads in 1952, before the 'star system' came into being, and when it began to dominate the industry in the early 'sixties, I was already well

the way for other film-makers. He has acted in at least 170 films since be played his first real revolution in the Turkish lead in a forgettable epic called cinema came in the late 1960s "The Little Tramps." For that, he was paid TL250 or a little over \$30 at the exchange rate Guney. An actor of low-budget shootem-ups and dubbed "the ngly king" of the Turkish cinema, Guney saved the money of the time.

This was when the Turkish cinema was beginning to learn -"by trial and error," Hakan savs—what the cinema was really about, although the first Turkish film had been produced early 40 years before.

Documentary

Mack Sennet was filming bis "Keystone Comedies" and Thomas Ince "The Battle of Gettysburg " · in Hollywood when in 1914 a 26-year-old reserve officer in the Otomson Army, Fuat Uzkinay, ahot the first Turkish film. It was a short (150-metre) documentary, with the title, "The Destruction of the Russian Monument at

A few primitive film attempts followed, backed by private individuals, and for 17 years, until 1939, the Turkish cinema was dominated by one man, Mr. Muhsin Ertugrul, the theatre actor and director, who directed 21 of the 22 films made in that

a 50 per cent tax on foreign movies and only 20 per cent on

The hoom began. By 1966 Turkey was producing the fourth largest number of films in the

Ertugrul's influence con-tinued through the 1940s, and the Turkish cinema was, until 1950, a little more than filmed theatre. A truly cinematic language began to emerge after. the enactment of a new law which made film production in Turkey economically viable. This was the "Law on muni-cipal earnings," which imposed

the locally-made productions. More people went to see the cheaper Turkish films, and the budding production companies renovated their style to compete with the slicker and more watchable imports.

That was when a new problem arose and is still unresolved. The Board of Censors, autho-

The Koc Group of Turkey

"the nation's largest private business"

YES, foreign exchange shortages

make life difficult. But this is the challenge that we are meeting. KOC has grown to be Turkey's largest industrial group during a time of rapid economic and social change. For us adaptability is a way of life...

We firmly believe that trade must be two-way. The time is past when Turkey was an easy market for western companies. Turkey today offers a different challenge.

There are many things that Turkey would like to import, apart from ever dearer oil. To make that possible, Turkey must earn foreign currency. In concert with the other progressive corporations KOC will play its part in meeting this challenge.

With its modern industrial plant, strong management and effective financial control, KOÇ offers the chance to manufacture efficiently for your market and for export. Helping Turkey generate more foreign exchange is the way to secure your stake in Turkey's future prosperity.

What does KOC do?

KOC does iron and steel, cars, trucks, buses and farm tractors, home and commercial appliances, consumer electronics, heating and insulation

MEETS

systems, electromechanic, We also do food and food processing, textiles, general consumer products. international trading, tourism, banking and insurance, energy and mining.

KOC and the developing countries

In the last quarter century, KOC has developed its own techniques for coping with industrial and manufacturing problems in a developing country. At the same time, we gratefully . acknowledge the contribution of western technology and knowhow. Now is the

time for us to make our contribution.

Based on our own experience, we offer sympathetic understanding of the special problems of introducing advanced but appropriate technology in newly developing countries. If you need a partner who understands your problems, we would like to talk to you. Please contact Mr. Fahir İlkel, Executive Vice-President - Industry, KOC Holding A.S., Fındıklı, İstanbul. Telephone: 43 29 00 Telex: 24218 koc tr

The arc of crisis

IMAGINE a jigsaw puzzle thet deep in debt that even the heat-has no correct solution. All the pieces are there, but they can be fitted together in a puzzle that deep in debt that even the heat-ing in the Prime Minister's ecanomy in a way remniscent office appeared nat to be func-ble fitted together in the late 1950s and early be fitted together in a whole tioning. Turkey's debt is now variety of different combinations, each of which yields a mental account for 45 per cent startlingly different picture.

That is the kind of puzzle fac-That is the kind of puzzle racing Lord Carrington, the Fareign
Secretary, as he ponders what
to tell his Cabinet colleagues
and Britain's allies about his
The country is a cultural and
recognable buffer between tour through five Asian

from Turkey, through the Middle East to the Indian subcontinent bas been aptly des-cribed by Mr. Zbignicw directions at once, never quite Brzezinski, President Carter's sure which represents their National Security Adviser, as true national path. The new the "arc of crisis." Look at any Government of Mr. Suleyman country in the region, and with the notable end recent exception to stress the "Europeanness" of India, you will find either present ar patential instability. The Russian invasian of Afghanistan has been superimposed onto a region already grapping with a bost of prob-lems of its own: the twin shocks of the Camp David agreements and the Iranian revolution; the emergeoce of an Islamic consciousness thraughout the Moskem world; and—in the oil-rich states—the sociel straina arising

··· Fragments of each af thase problems form some of the ieces from which the western world has to put together its Middle East policy. But it is a iarge puzzle, far toa difficult for ebildren. As Lord Carring-ton found as he travelled through the area, in each cauntry you visit, you find there are more pleces than you had previously bargained for. Each country presented him with a combinetion of local difficulties, which tended to loom at least es large in local minds as any threat posed by Russia,

from wealth and rapid develop-

of its export earnings, and by 1982 will be swallowing up 60 our through five Asian geographic buffer between Europe and Asia on the one he area he visited, stretching band. Russia and the Mediter-

ranean on the ather. The Turks find themselves Demirel, far instance, is anxious Turkey, its membership of NATO, its aspirations to become a full member of the EEC. At the same time, the Turks want the Arab Middle East to see them as part of the Islemic community, ond urged Lord Carrington to plead their cause his tonr through the region.

Ataturk legacy

But in the 1920s, Ataturk secularised the state and tried to wrench Turkey out af its Moslem_past into what he saw as a European future. The Islamic world's response to Turkey's inot disinterested) avertures is cautious.

After the invasion of Cyprus in 1974, there was a lang period af caldness between Turkey and the U.S. Not only was there an embargo on selling arms, but U.S. Gavernment with its aid programme was not par-ticolarly interested in Turkcy, while American industrial investment has never been very weicome.

tan in the late 1950s and early 1960s. Anatolia even uses the Russian grid for eame of its clectricity. Soviet money has financed a steel mill, a petroleum refinery, and an alumiaium smeiter. One of Turkey's two new nuclear power

stations is to be Russian-

told Lord The Turks Cerrington that while they were bitterly opposed to the Seviet action in Afghanistan, economic sanctians were peither in their power por in their interest they are trying to use what little surplus grain they have to help pay for importing Russian oil). And in any case, they were far more concerned about the potential for trouble on their eastern horder with Iran than from Russia.

With a restiess Kurdish populating of between 5m and 7m people occupying a third of its land area, the possibility of the "halkanisation" of Iran and of the setting up of a Kurdish or Azerbaljani republic on or close to its barders, presents Turkcy with yet another source of potential coltural fragmentatian, and a far greater short term threat than Russia. It was noticeable that after his stop in Turkey Lord Carrington began to lay stress on the threat of internal subversion within the region, which could be exploited by the Sovict Union in the Near or Middle

East in the same way as was dane in Afghanistan. But he quickly faund that while the threat nf subversion was widely recognised, nobody thrught that there was any danger to them. The threat in Turkey is rangible —200 · political murders are being committed a mnpth. But in the pext three

sense, and any potential threat to the regimes lies at varying

depths below the surface.
Second stop was Oman, a country which probably has a population af less than 750,000 and which would not be a part of this story at all if it did nat ile on the western side af the Straits of Hormuz, But there it is, guarding the West's nii artery, ruled by a remote, 39year-old hereditary Sultan wha regime.
is said to bave learned the There political value of the walkabaut on the Queen's visit last year.

The British put bim in power in 1970 so that he could drag Oman nut of the feudai state in which his paranoid father had been determined to keep it. In nine years, with not a little heip from oil income on the one hand and a number of British military and civilian advisers on the other, be has dragged Oman into the 20th century That is no small achievement.

But as a long-term ally, he has a number of disadvantages from the Western viewpoint. To beam with the rest of the Arab world dislikes his proud isolation, which has led him, among other things, to support Egypt and the Camp David agreements far peace with Israel. For another, he and some of his advisers have some pretty grandoise ideas about their role as a front-line buffer against Soviet eggression.

Fleet project

It was Omen which in midsummer proposed to the rest of the Gulf States that they should help to finance a fleet of mine countermeasures vessels for £20m each so that the Oman navy (present size, 17 ships, mostly a patrol fleet) could His first stop was Torkey. The Russians, therefore, have countries Lord Carrington was meet the threat of terrorism in and so many different pictores where he found an economy so tried to make themselves into visit, there are no political the Straits. The Guif States you can make with them, that

Institutions in the modern were neither amused nor convinred.

Sultan advisers stressed There are reports af the

eccounts af a four-day airlift of between 10,000 and 15,000 Russian troops into and aut of Aden last month. The threat to the region is real enough. The question is whether Suitan Qaboos is the man to meet it.

GENERAL

Carrington the cantinoing threat posed by the militantly Marxist regime af Sauth Yemen, which has already made one attempt to dislodge the Sultan firough its support for a liberation mavement in the monntainaus Dhafar and is still bent on the destruction of his

Russians building nuclear sub-marine pens at Aden, end epparentiv

delivery of a second squadron at Jaguars, far ground radar, and far the continued help of British military persannel, ha appears to have received a positive reply. The British say there was no mention of mine-

On to Saudi Arabia, where even Lord Carrington, who knows his Middle East, was taken aback by the strength of feeling against Egypt because of Camp David: and inta the nexus of the Western world's problems over formulating a viable policy for the region. As long as the Palestinian problem remains unsolved, U.S. relations with the Islamic Middle East will remain strained and highly unstable. As long as the American diplomats are beld hostage in Tehran, the future of the Islamic move-ment, the very question of whether there will be a future for it, will remain a matter for

There are so many different pieces to this part of the jigsaw,

To his requests for a speedier sweeders.

open speculation.



there la space to poiot out only a few of them. How badly shaken has the House of Sand been by the attack an the Grand Mosque at Mecca? The signs are, severely; hut it is too early to see how it will affect the future direction of the country.

How iong will the Ayatoliah

Khomeini live, and what will happen when he dies? Will the hastages ba got nut alive? If aa, will the action that the U.S. has to set fire to the U.S. embassy, proved his confidence, an act for which 38 of them are now languishing in President

Will the shaky regime in North Yemen survive? Or will ton found that it was their old it fall victim to a combination fear of India almost as much af internal disintegration, ta an as the new one af Russia that attack from South Yemen, or to the Pakistanis wanted to talk a combination of both? Will the about. Likewise in Deihl it was present U.S. diplamatic offen- the present U.S. diplamatic offen-the prospect of re-equipped sive in the Middle East help to Pakistan armed forces and of a unlock the Palestinian problem? Or will it as there are already signs that it could, drive Israei further egainsl the wali and cause a counter reaction? How long can Mr. Begin, the Israeli per cent inflation rate? And if either his weak health or his shaky political hase fail, what kind of leader will Israel

The page of events aince stabilise those parta of the resident Sadat's visit to region thet seem stabilisable. President Sadat's visit to Jeruselem and the Iranian hes been so fast thet no one, in or out of the Middle East, can see around the next corner.

Nowhere is this more clear than in Pakistan. Since Christ-mas, President Zia-ul Haq has found that a world which feared nuclear ambitions and to take to release them inse it winced at his system of govern-ali the diplomatic ground it has ment is queuing up to help him gained in the past month in the and his country. He is at once Islamic world? It needed only a the handmaiden of the West. rumour that the U.S. bad been the Chinese, the Islamic world bebind the attack on the Grand and the non-aligned movement. Mosque for Pakistani students The experience has visibly im-

Old fears...

But even bere Lord Carring-U.S.-Pakistan-Chinese axis that seemed to be occupying ques-tioners at Lord Carrington's

Press conference.
But it is in Pakistan that the present thrust of U.S. policy, fully backed by Britain, is aimed. From now on, it is the integrity of countries that is to be guaranteed, with less atten-tion being paid to the nature of their rulers. The aim is to jigsaw.

revoluting and now the Russian the human rights palicy and the invasion of a Mosiem country nuclear non-proliferation policy on the shelf for the time being. It is probably the lowest risk policy available, but it is nevertheles fraucht with nuccr-tainty. Nn Middle Eastern country can afford to be seen to be too close to the United States—U.S. support for Israel on the one hand and the downfail of the Shah on the other have seen to that. Then President Zia is not everybody's idea of a safe borse to back. It is not clear haw broad is his sup-port in the country. The Pakistan Government's writ bas never run in much of the mountainous region on the Afghan border, where tribesmen who itine control a hand up to 50 miles wide along what could become a disputed frontier. To independent-minded Baluchis straddle the border with Iran. The number of stray pieces at the Pakistani end of the jigsaw is startingly large.

On the aeroplane beck from New Dehi, Lord Carrington was asked where he thought the most dan erous potential flashpoint lay in the area we had travelied. He oucked the question. The only certainty is that the Arc of Crisis will not stabilise. It is not that kind of

Letters to the Editor

Product liability From the Secretary.

Product Liobility Technical Committee, European Organisation for Quality

Sir,-From two items in the last few days it appears that consumer organisations. for whatever reason, seem unwilling to recognise the realities of the cost of consumer protection legislation to manufacturers and, subsequently, to the consumers themselves.

The first is the letter (January 12) from Kate Foss, of Con-cannot understand why a profit-sumers in the European Com- able works on which a lot of munity Group (UK) which money has been spent is under makes a particular point about the threat of closure. the exclusion of "development isk" as a defence by a manufacturer. The second appeared facts all too well. They bave on January 14 and indicated seen management embark on that the National Consumer Council believes that the true cost of product liability to have seen much of this wasted.
manufacturers is much less They have taken savage cuts

Economist Intelligence Unit. As, however, it seems that They have accepted cots in consumers believe that the their standard of iving only cost to manufacturers of amounting to 25 per cent over the last three their standard. protection against product the last three years. Despite all these corressions management are demanding more and mention one or two facts.

Insurance will not cover the cost of liability for "development risk" claims: insurance will not cover any costs incurred in any recall cempaign

more blood as the price of failure gets higher end higher.

The sales forecasts, the production plans, the investment decisions were all made by management and by management and by management was curred in any recall cempaign and they can be very heavy. The American Corning Glass Company is currently involved in a recall campaign of shout 18m coffee percolators at a cost

estimated at nurre than SISni.

There are, of course, the internal overhead costs which are also not covered by insurance, in one large company in the consumer industry it bas been estimated that full compliance with the requirements of the EEC directive when it becomes iaw could amount to more than £5m per annum. On that basis it would not seem that there is much wrong with the estimate of the Economist Intelligence Unit. Except, perbaps, to say that it could weil have erred on the conservative side. And all of this will have to he paid for by the consumer In the shape of higher prices.

R. M. McRohh, Glebe Cottage, Honeydon Road, Culmworth, Bedford.

Consultation on steel

From Mr. M. Godfrey Sir,—Mr. J. M. R. Carlill of the Teesside Division of the British Steel Corporation (January 151, disagrees with the paper's views on the lack of consultation within the steel industry. He claims that the workforce bave not heard "the harsb economic facts" and considers the Iron and Steel Trades Confederation to be acting undemocratically in taking

This is only to be expected. A management vociferously defending an unenviable track record is too husy, as it always has been, to listen to the views of its workfarce and is now ably within the overall corpora-trying- to avoid the contion plan; and it was damned by you pay for, but the advertising Frank Field sequences of failure by passing the so-called experts who advo-you deserve. Good advertising House of Commons, SWI

the blame on to its employees, caled, guite erroneously, that it is the nutcome of the combined

A prime example of the depths to which this management can sink is the case of Consett. The barsh economic facts of Consett are that BSC has recently invested £12m there, the pient is making a profit and the workforre is dedicated and hardworking. Their reward is that Mr. Derek Saul, managing director. Teesside Division, has told them that their loyalty is no longer required. Four thousand workers thrown on to the scrapheap. Did Mr. Saul take a vote? Did he even ask them if they had any objections? Where is the consultation, where is the democracy? The workfnrce cannot understand why a profit-

No. Mr. Carlill, the workforce understands the barsh economic a buge spending spree with the taxpavers' money. They than that suggested by the in their numbers. They have Economist Intelligence Unit. Increased their productivity. the last three years. Despite

ment alone. No attempt was made to involve the workforce in these momentous decisions. Where was the democracy in this: Where is the justice now in turning round to the workforce and blaming them." I put it to you, Mr. Carlill, that BSC would not be in the sorry state it is in today if there was democracy within the industry.

M. Godfrey (Area Sirike Committee, ISTC No. 2 Division) Drinkmoter House, 210-212 Morton Road, Middleshrough,

History of Consett

From Mr. B. Askein

Sir.-Christien Tyler's article (January 15) is a fair assessmeni of the present crisis in the steel industry. Socialism and trade unionism, however, producing in their turn nationalisation, have a lot to answer for in this crisis.

Nationalisation of steel in the mid-1960s produced a monolithic organisation, the Board of which (and many members are no longer with British Steel Corporation), was mesmerised by the vast seaboard steel plants of Japan. This situation made the survival of Consett impossible virtually from the outset be-cause: the ill-fated and ltl-conceived Benson Committee, sponsored by the steel makers' own employers' association, bad started the rot by recommending closure: Consett was never able to benefit from a nationalist lobby because the North-East, in steel-making terms, is dominated by Teesside: BSC was conditioned to believe (and prohably rebuttal of January 9 do not refer to the most vital mgredient and advertising.

يروا والأراب الماطيق معروسي

was the height of commercial folly to have to import iron ore 27 miles from the Tyne.

Consett would not be in its present tragic situation today if more imaginative long-term plans had been evolved by BSC in the late 1960s, Ideeliy, how-ever, it should have remained under private enterprise because the people of Consett, and what better combination than that of miners and steelworkers, have a determination to win through. Immediately prior to nationalisalion, although the company employed 7,000, it was run effectively by only three full-lime directors, and lean and hungry management teams are invariably highly successful ones.

In the late 19th century Consett Iron Company provided ties as schools, parks, houses and F. W. Price, hospitals while the local council Horant, Hants. was virtually a pocket borough. This was to many people the unacceptable face of capitalism hut often it was a benevolent despotism.

By the time of nationalisation democracy bad taken over providing a dramatic contrast. The campuny was toen contributing rates 48 per cent of the Urhan District Chuncil's income but, of course, with no repre-sentation on the local authority. This was taxation without representation—the very cry which lost us the American colonies.

Government debt

From Mr. A. Groy.

Sir.—By the year 2,000 the outstanding nominal British Gnr-ernment debt traded on the Stock Exchange is aoing to be around £470bn. This compares with the current figure of £70bn in round figures.

The relationship between now and then is a 10 per rent com-pound rate of interes', which is an estimate of the current yield nn the £70hn, reinvested each year for 20 years. This is roughly the current position now that the Government is effectively capitalising all its interest pay-

The key in the extrapolating is the use of a "high interest rate" and the outcome, to me, tooks very inflationary. Adrian Gray. 31, Russeli Road Wimbledon, SW19.

Investing in advertising

From the Monoging Director, Colt International Sir,—Michael Thompson-Noet's article nn December 27, Mr. J. D. Sutherland's strongly held views of January 4 along with Mr. Hawes' more restrained

You don't get the advertising coming of age of a family lobby.

efforts of the advertiser and the agency. Michael

If the advertiser is ignorant and apathetic, as Mr. Sutherland suggests, then he wili get what he deserves—bad advertising. It foilows that if the edvertising i ineffective the responsibility lies more with industrial management than with the agency. As important as the message

itself, is the metter of it reach ing the market. If, for, example you aim to seil half your output nverseas don't expect publication in the UK Press to help achieve this objective. We have worked very hard for

11 years with Mr. Hawes' agency. The results overall have been invaluable to both companies The effort-along with the cash invested-has been most productive and cost effective.

Lobby group for families

From Mr. F. Field, MP

Sir,-I am at a loss to understand Mr. D. G. Lindsey's letter (January 14). The only point of substance is when he writes that there is no association representing the family through Johs and economic survival which protest could be are far more important than channelled. I agree whole egnitiarian socialist ideology.

Bryan Askew.

To Golf Links Archue.

Todeaster.

Which protest could be channelled. I agree whole heartedly with this, but Mr. Lindsay is proposing eholishing the only measure which might bring such e lioby into

> As I tried to explein (January 8), the introduction of the child henefit scheme has given middle class and working class families with children an interest in common-namely, the huilding up of a generous cash benefit which went to both rich end poor parents airke. Child benefit is nowhere near high enough, either to redress the discrimination against taxpayers with children which has harit up in our lax and benefit system over the last twenty years or so, or to deal humancly and effectively with the incen-tive in work for those on lower

Instead of putting his weight in support of higher child benefits, all Mr. Lindsay can do is hark back to the nid system of child tax allowances. It's almost inconceivable (1 say almost because with this Government one must now never be surprised at what it does that child tax allowance will be reintroduced. The main task therefore is to help bring into existence a family lobby, the hasis of which has been laid by the introduction of the child benefit scheme.

But this situation is full of frony. On a number of occasions the Secretary of State Social Services bas made it plain that he pays little atten-tion to what is called the "poverty lobby" because they are all chiefs and no indiana. The inference is that Secretaries of State only take notice of organised groups of people who carry some political cloud. And yet when individuals do form such aroups — such as trade unions — the Government becomes absessed about limiting their powers. No doubt the

UK: Mr. John Biffen, Chief Secretary to the Treasury, speaks at a meeting of the

ehoose?

Banking and Finance Sludy Group, Bank of England. Heseltine, Enviranment Secretary, speaks

Mr. Nigel Lawson, Financial Secretary to the Treasury, is among Times' speakers at Financial two-day conference on 1980 Euromarkets, Intercon-tinentei Hotei, London, W1.

TENDERS MUST BE LODGED NOT LATER THAN 70,00 A.M. ON WEONESDAY, 23RD JANUARY 1980 AT THE BANK OF ENGLANO, NEW ISSUES IX), WATLING STREET, LONDON, ECIM BAA OR NOT LATER THAN 3.30 P.M. ON TUESDAY, 22ND JANUARY 1980 AT ANY OF THE BRANCHES OF THE BANK OF ENGLANO OR AT THE CLASGOW AGENCY OF THE BANK OF ENGLAND. TENDERS MUST BE IN SEALED ENVELOPES MARKED "EXCHEQUER TENDER".

ISSUED BY TENDER OF £800,000,000

13% per cent. EXCHEQUER STOCK, 1983 MINIMUM TENDER PRICE £96.75 PER CENT.

PAYABLE AS FOLLOWS

Deposit with lender

£60.00 per cent On Friday, 29th February 1980 Balance of purchase money

INTEREST PAYABLE HALF-YEARLY ON 22nd MAY AND 22nd NOVEMBER

This Sinch is an investment falling within Part II of the First Schoolple to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Enchange for the Stock to be admitted to the Official Ust.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to increase tenders for the above Slock. The constant of and interest on the Stock will be a charge on the Netronal Lases Fund, with recourse to the Consolidated Filed of the United Kingdom. The Stock will be record at par on 22nd Nevember 1983.

The Stock will be innesterni at the Book of England or at the Book of Ireland, England and will be transferable, in multiplies of one now penny, by inetrimonal without an accordance with the Stock Tenniler Act 1963 Translate will be tree of stonic duty. Interrol vill be payable hell-yearly on 22nd May and 22nd November. Income tax will be inducted from payments of more than 05 pay annum. Interest well be innemented by post. The innep payment will be made on 22nd May 1250 at the tale of £3.5186 per £100 of the Stock.

Tendem must be lodged not later than 10.80 e.m. on Wednesday, 23rd January 1980 at the Sank of England, New Lagues (X), Watting Street, London, ECAM SAA or not later than 3.30 p.m. on Tuesday, 22nd January 1980 at any of the Branches of the Saak of England or set the Gaspow Agency of the Bank of England Each minder must be far one amount and at one price. The minimum price, below which fenders with not be accepted, is £88.75 per cent. Tanders must be made of the minimum price or st higher prices which are multiples of 25p. Tenders lodged without a price being atstad will be deemed to have been made at the minimum price.

A anpurpte chaque representing a deposit of £90,00 per cent of the nominel amount tendered for must accompany each tender; shaques must be drawn on a bank m, and be payable in, the United Kingdom, the Channel Islands or the Island of the Islands of the Islands or the Islands of the Islands of the Islands of the Islands of the Islands of Exchange Tender, fonders must be for a minimum of £100 Stock and for multiples of Stock and Islands.

Amount of Stack tendered for F100--- EZ, 000 £100 €2,000---€5,000 **5300** 21,000 £5.000--£20.000 EZ0,000-E100,000 CE.000 F100.000 or greater

Hel Minjesty's Traceury teserve the right to reject any tender or to allot a less amount than that tendered for. If undemubscribed, the Stock will be eligited at the minimum price to the Governor and Company of the Oank of Eagland lesses Department. If oversubscribed, all altothents will be made at the lowest price at which any tender is accepted (the allotment price), and tandem at prices above the allotment price will be eligited in fulfi.

Letters of illiament in respect of Stock inflotted with be despetched by post of the First oil the tenderer. No allotment will be made for a less amount than 1900 Stock in the event of cartiol inflorment, the belance of the immount paid as deposit will be refunded by choose despetched by post of the rick of the feedbarer, if an inflorment is made the amount paid as deposit will be returned infection. Payment in full may be made in any lime after effortment but no descript will be allowed on nuch payment. Default in the payment of the believen payment of the believen payment of the believen the deposit hebits to lorie-ture and the allotment to cancellation.

Langers of militarest may be aplif into denominations of multiples of £100 on writing request recovered by the Bank of England. New Insums. Watting Street, Landou. EC4M 9AA or by any of the Branches of the Bank of England, or any date and later than 27th Fabruary 1980. Such requests must be signed and must he accompanied by the latters of silonomial.

Today's Events

"Urban Docay—its Symptoms and Remedies" at RSA, John Adam Street, WC2.

Trades (1975) Symptoms Middle East Construction Exhibition, Jeddah (until January 26). Congress PARLIAMENTARY BUSINESS Tradea Union Congress Finance and General Purposes

Committee meets, London, Sir Peter Gadesden, Lord Mayor af London, dines with the Gardeners' Company, Mansion House. EEC

Overseas: Floance tinentel Hotci, London, WI.

Unlon of Post Office Workers'
special conference on unlon
structure, Bournemouth.
Mr. Peter Shore gives third
Thomas Cubitt lecture on Visit to Pakistan.

Overseas: EEC Floance
Ministers meet in Brussels.
EEC Agriculture Council
starts two-day meeting, Brussels,
Mr. Huang Hua, Chinese
Foreign Minister, finel day of visit to Pakistan.

Industrial and commerciai companies' appropriation account, net acquisition of financial assets and net borrow-ing requirement (third quarter).

OFFICIAL STATISTICS

(November). COMPANY RESULTS

Final dividends: Alexanders Discount, Great Northern Investment Trust, Leda Investment Trust, Megeiti Hoidings, In-terim dividends: Cray Elec-Honse of Commons: Debate on the problems of the Northern Region. Bees Blii, remaining stages. VAT (Fuei and Power) (Metrication) Order. Opposed Private Business. tronics. Palmerston Investment Trust, Interim figures: Wintrust. See Financial Diary on Page

LUNCETIME MUSIC, London BBC Concert, Sr. John's, Smith Square, Westminster— Songs and duets by Haydn, Schumann Schubert, Smith. Brahms — Jennifer soprano, John Eiwes, tenor, and Clifford Benson, piano.

England, New Issues, Waiting Street, London, ECAM BAA, or at any of the Brenches of the Benk of England, or at the Glassow Agency of the Black of England; at the Bank of Italand, P.O. Box 13, Ognegali Piece, Bellass, BTI 58X; at Mullane & Co., 15 Moorgase, London, ECZR SAN, or at any since of The Stock Exchange in the United Kingdom.

BANK OF ENGLANO

LONGON 18th January 1980.

THIS FORM MAY BE USED

TEMPER FORM

This form must be lodged not later than 10,00 s.m. on Wednesday, 23rd January 1980 at the Sank of England, New Insues (X), Watting Street, London, ECAM SAA or not later than 3.30 p.m. on Tuesday, 22nd January 1980 at any of the Branche of the Bank of England or at the Glasgow Agency of the Bank of England. Tendem must be in sealed envelopes marked "Exchaquer Tender".

ISSUE BY TENDER OF £800,000,000

13½ per cent. EXCHEQUER STOCK, 1983 MINIMUM TENDER PRICE £96.75 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

I/We tender in accordance with the terms of the prospectus day 18th January 1980 as follows:—

Amount of Stock tendered for £100-£2,000 £100 AMOUNT OF STOCK £2,000-C5,000 5500 25,000—620,000 £1,000 E20,000-£100,000 6.000 £100,000 or greater £10.000

The price tendered per £100 Stock, being a tiple of 25p and not less than the returned for price of £90 75:—

TENDER PRICE IN

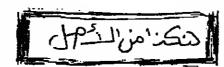
L/We request that any latter of allotment in respect of Stock elinited to tue be sent by post at my/our risk to age/us at the address shown below.

1960	of, or an behalf of, senderer	
PLEASE USE BLOCK LETTERS		:
SURNAME OF TENDERER MR/MRS/MISS OR TITLE	To the second distribution of the second distribution of the second seco	
FIRST NAME(S) IN FULL		

The price tendered must be a multiple of Zip and not less than the minimum tender price. If no price is stated, the tender will be deemed to have been made at the minimum tender price. Each tender must be for one amount and at one price.

ADDRESS IN FULL

Please also see Prospectus and Tender form for 12} per conf. Treasury Stock, 2003-2005 on Page 7.



Felixstowe

tender

raise £6.5m.

Dock £6.5m

AN OFFER for sale by tender is being made by The Felixstowe

The issue is of 9.5 per cent Cumuletive Redeemable Prefer-

ence Stock 1984 at e minimum price of £98 pe rcent, redeem-eble on December 31, 1984, at

Tenders for e minimum of £100

stock heve to be made before January 24 with a deposit of £10

per cent on application. The

balance of the purchase money will be peyable by February 14.

to £3.62 per cent, payable on July 1, 1980. Subsequent divi-dends will be payable half-

yearly on January 2 and July 1. European Ferries, which owns

99.89 per cent of the equity, has agreed to provide any necessary

funds required to redeem the

stock and to pay any arrears of dividend on such redemption.

The first dividend will amount

and Railway Company to

Financial Times Monday January 21 1980

in accordance with the provisions of the Noise, notice is hereby given that the rate of intern been fixed at 14th per cent, per summ, and that the in payable on the relevant interest payment date. Zist July, 1980 against Coupon No. 2 will be U.S. 5742.83

> The Industrial Bank of Jepan, Limited Agent Bank

M. J. H. Nightingale & Co. Limited

£000's capitalisata. Company		Change on week			PA
4.220 Aireprung	73	· _1 ·	6.7	9.2	4.3
1,000 Armitage and Rhod	es 40	+2	3.8	9.5	'2.5
9.874 Baidon Hill	225	+3	13.8	. 6.1	. 5.5
6.420 Deborah Ord	93		5.0	5.4	10.2
700 Osborah 17% CUL	S 350	-3	17.5	5.0	-
3,449 Frank Horsell	92	· <u>-</u>	7.9	8.5	. 5.7
15.602 Frederick Parker		·2 ·	12.8	11.9	8.4
2.236 George Blair		-3	1 e.s	, 15.7	3.5
1.500 Jeckson Group		· —	5.Z	-8.7	3.5
18,010 Jemes Butrough		+1	7.2	6.2	10.2
2.550 Robert Jenkins		. —	31.3	12.5	8.0
3,431 Torday	223	+1	· 14.3	5.4	5.8
	23	+3		3.7	4.4
2.075 Twintock 12% ULS		_	t Z.O	16.0	
7.313 Unilock Holdinge		_	. 2.8	4.6	31.8

KOZANOGLU CAVUSOGLU CONSTRUCTION COMPANY LTD.

This is a correction notice for the above Company's advertisement which appears in today's Survey

Please note that Head Office telex numbers should read 26474 and 26318 and not 23674. Add Tripoli Office telex number 20503.

Union Commerce Bank (Cleveland)

European Representative Office

has moved to 104-106 Leadenhall Street, London EC3

Telephone: 01-623 8341 Telex: 886339

Jack R Jessen

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000.£50,000 eccepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 25,1.80.

Terms (years) 3 4 5 6 7 8 9 10 Interest % 13\frac{1}{2} 13\frac{1}{2} 13\frac{1}{2} 13\frac{1}{2} 14 14 14 14 14 Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SEI 8XP (01-928 7822, Ext. 367). Cheques payable to "Bank of England, e/e FFL" FFI is the holding company for ICFC

PLANT& MACHINERY SALES

1) ROLLING MILLS

12in × 30in × 35in wide × 400 hp Four High Reversing Mill. Sin x 12in x 10in wide variable speed Four High Mill.

3.5in x 8in x 9in wide variable speed Four High Mill.

10in x 16in wide fixed speed Two High Mill.

10in x 12in wide fixed speed Two High Mill.

6in x 6in x 20in wide Four High Mill.

2) CUT/LENGTH LINE 1,500 mm x 3 mm x 15 ton coll. 3) CUT/LENGTH LINE 1,000 mm x 2 mm.

4) CUT/LENGTH LINE 750 mm x 2 mm.

5) CUT/LENGTH LINE 400 mm x 3 mm.

6) WIRE FLATTENING AND NARROW STRIP ROLLING MILE two stand by R.W.F. 10in x 8in rolls.

7) SLITTING LINE 920 mm x 10 ton coil by Cem.

8) SLITTING LINE 300 mm x I ton coil by Cam.

9) SLITTING MACHINES 36in and 48in by Weybridge.

10) PLATE SHEAR 4ft x I'm Cincinnati. 11) GUILLOTINE 8ft x 0.125in Pearson,

12) No. 1 FICEP SCRAP SHEAR, 75 x 35 mm Bar.

13) SHEET LEVELLING ROLLS, 920. 1,150 and 1,850 mm wide.

14) HYDRAULIC SCRAP BALING PRESS. Fielding & Platt. 15) FORGING HAMMER 3 cwt, slide type. Massey.

16) VERTICAL WIRE DRAWING BLOCKS 24in dia x 25 hps

17) AUTOMATED COLD SAW, non ferrous. Noble & Lond. 18) WIRE DRAWING MACHINE, MARSHALL RICHARDS VARIABLE SPEED 6 BLOCK PACEMAKER (25 hp × 22in. in line)

non-slip Drawblocks). 19) 1972 WIRE STRAIGHTEN AND CUT-TO-LENGTH MACHINE

apacity 10 mm dia. ms.

20) TWO HORIZONTAL DRAW BLOCKS 36in and 24in, Farmer

21) WIRE DRAWING MACHINE 9 DIE cone type. Unity.
22) WIRE DRAWING MACHINE 15 DIE cone type. Marshall.

23) NINE BLOCK WIRE DRAWING MACHINE AND SPOOLER, by Barcro (24in x 25 hp drawblocks).
24) TWO TAPE ROLLING MILLS by Deco (159 x 100 mm x 15 hp

rolls and 110 x 100 mm x 10 hp rolls).

HIGH SPEED AUTOMATIC CENTRELESS BAR TURNING MACHINE (1977) max. capacity 38 mm bar. Wednesbury Machine Co. Ltd. Oxford Street, Bilston. Tels: 0902 42541/2/3. Telex: 336414

WICKMAN 11 6SP AUTOMATIC, reconditioned to meker's limits. WICKMAN I 6SP AUTOMATIC, Rebuilt to maker's limits. WICKMAN 21 65P AUTOMATIC, reconditioned to maker's limits. CONOMATIC 31 6 SPINDLE, reconditioned to maker's limits. RHODES 80 TONE PRESS, adj. stroke, roll feeds. As new. HME 200 TONS PRESS TYPE C28, roll feeds. Excellence. NATIONAL COLD HEADERS in x flo diz. Recond. Excellent 200 TON HYDRAULIC PRESS, bed 36in x 22in, Excellent. 450 TON HYDRAULIC PRESS, bed 36in x 24in. Excellent.

> Rolle Tools Ltd. 154/6 Blackfrars Road, London SE1 BEN Tel: 01-928 3131. Telex: 261771.

Air COMPRESSORS (2) 400 p.s.i. 400 cf.m. Oil free, 3-stage 1,000 h.p. motors. Complete installation including air receives.

Can be inspected under power.

Sotheby backs confidence with higher spending

THE CAPITAL expenditure programme et Sotheby Parke Bernet Group, some £5.1m for the current year, against £1.69m, best expresses the group's confidence for 1979-80, Mr. P. C. Wilson. chairman, tells members in his

The major part of tha programme is in connection with further expenditure on Sotheby Beresford Adams, the Aeolian Hell, and on the new property in New York—last August a 30year leasehold interest was acquired in 1,334, York Aveoue et 72nd Street, and the group bas agreed to exercise an option to purchese the freebold for \$8m. " It is proposed to make special financial arrangements with our bankers for this project," Mr.

Net auction sales, excluding real estate, heve risen from £71.75m to £94.34m for the first four months of the current year. the most significant heing the 72 per cent advance in U.S. and Caneda seles from £27.39m to £42m, the chairman

Cook, chairman, tells members.

end he is confident the group can do better on the retail side.

newspepers and magazines bas

improved margins, and with more

stability in the cigarette market,

returns there are also better, he

far, are running some 28 per ceot higher then the same period

last year, the chairman edds.

Sales in the current year so

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividende. Ufficial indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based meinly on last

TOOAY Interims — Cray Electronics.
Pelmerston Investment Trust.
Finals—Alexanders Oiscount, Great
Northern Investment Trust, Lads Investment Trust, Maggitt.

FUTURE ILATES

Amelgameted Olstilled Prod. Jen. 23
Amelgameted Olstilled Prod. Jen. 23
Cantore Jen. 20
Jen. 20 Final— mallshaw (R.) (Knitwest) Jsn. 24 † Amended.

But he werns that the group of Westmoriend. is generally vulnerable to the Meeting, 34-35 New Bond "continuous pressures of inflation." However, the directors 4.30 pm.

NSS pushes wholesaling side

THE MAIN thrust in the current year et NSS Newsagents will be ment . . . 1 believe we shall tion for loss of office. in wholesaling, Mr. P. H. Byam move forward again this year. Meeting, Ryde Hou

remain optimistic for the rest Mr. Wilson says the date for te hearing of the huyers' remium case is set for October,

As reported on January 11, despite lower second helf profits, pre-tax earnings for the year ended August 31, 1979, rose from £7.02m to £8.23m. Net auction sales amounted to £186.4m against £161.1m. The dividend is lifted to 11.5p (9p) net per share with a finel of 8p.

As at balance dale where there were not current assets of £6.57m (£6.64m) — bank overdrafts amounted to £4.04m (£1.88m). Oo e CCA basis profits are reduced to £7.11m (£6.39m) after extra depreciation of £242,000 (£254,000), monetery working capital, £994,000 (£408,000) less gearing £112,000 (£30,000).

Mr. Wilson is to retire as chairend will be succeeded by the Earl

Meeting, Ryde House, Chobham, Surrey. February 12, at

The Felixstowe Dock issue is

being brought to market by Seymour Pierce, the specialists in waterworks debt and is designed to appeal to the same investors—those in search of investment income. Thus it is extremely unattractive to members of the public, but to a company paying main-stream corporation tax and dividends its grossed-up return

is over 20 per cent. Felixstowe itself, so long es it has no mainstream corporation tax to meet, is paying an effective 13.8 per cent running costs. The success of the tender will depend on the fixed interest markets in general over the next couple of days, but it is fully underwritten; the coupon is half e point ebove what a water company could expect to pay at present.

WALLIS GROUP

The offers by Sears Holdiogs for the capital of Wallis Fashion Group having become wholly nuconditional, Lord Mancroft, Mr. B. H. Osoff and Mr. A. W. Smith beve resigned es directors of Wallis. Mr. G. Maitlend Smith, Mr. D. J. R. Ward and Mr. H. S. Perlin heve been eppointed to the Board

CompAir sees improved year

Raeburn

earns and

pays more

TAXABLE REVENUE of Rac-

burn Investment Trust advanced from £2.02m to £2.9m in the year to November 30, 1979.

After tax of £1.04m (£173,491)

earnings per 25p share are stated up from 442p to 6.71p. Net asset value is 157.5p egainst

The dividend is stepped up from 4.05p to 6.35p with e final of 4p, which includes 0.9p in respect of dividends received from 8bell and Unilever.

CARTER/WESTGATE

Westgate Refrigeration of Cardiff, has become a subsidiary of Carter Thermal Industries Group, based in Birmingham.

In addition to his group chairmanship, Mr. W. H.

chairmanship, Mr. W. H. Rollason, is appointed chairman

of the new subsidiary.

to face severe competition in the industrialised countries, the group has a relatively strong position overseas, Sir William Mather, the chairman, says in his annual review.

"On balance, we hope to see en improvement," Sir William

The group will also be giving to measures to greater emphasis to measures to raise the level of asset utilisation and to reduce costs, says Mr. A. F. Masters in his chief executive's review.

Despite the limited scope for further sales expansion in the year shead "we believe that by these means, we may be able to echieve an advance in profits," Mr. Masters says.

For the year ended September 30, 1979, pre-tax profits were down from £11.58m to £8.36m. despite a rise in turnover from £147.35m to £153.56r

Profit on a CCA basis is reduced to £41m (£7.3m) after adjustments for depreciation; £1.3m (same), cost of sales, £4.9m (£4.5m) and gearing, £1.9m (£1.6m).

During the year plans were completed for a major reorganisation of the UK distri-bution network. Some 30 distri-Westgate will provide facili-ties for Carters extending its range, aimed at the hotel, restaurant and licensed trades. bntors will progressively take on combined franchises for the group's standard products leaving the CompAir sales force free to concentrate on buyers with specialised requirements.

There were a number of significant changes to the balance sheet, the net effect of which was to increase shareholders funds by £5.88m.

The major item was the incorporation of a revised valuation of the group's properties showing a surplus over net book vaines of £13.5m. The group also edopted SSAP15 which resulted in the transfer of £7.68m to

As a result of this tidying up. the balance sheet presents a more realistic view of the group's financial strength, the chairman says. The gearing ratio at 35 per cent is reasonably conservative and the group is in e sound position to cope with all its likely requirements.

Dfls 60,000,000 6 1/4 % bearer Notes of 1973 due 1977/1980

Amsterdam

Notes belonging to Redemption Group No. 2, being the last redemption group, will be redeemed on and after March 15, 1980 in accordance with the Terms and Conditions.

> Amsterdam-Rotterdam Bank N.V. (Central Paying Office) in Amsterdam and

Banque Générale du Luxembourg S.A. (Paying Agent)

Increased profit before dealing and extraordinary items

Gross rental income up by 21%

Interim dividend 0.5p per share (1979 same)

Gross rental income 2,131 1,757 3,735 Net property and Investment income after administration expenses 1,811 1,498 3,089 Interest 1,650 1,483 3,182 Profit/(loss) before dealing and extraordinary items 236 78 (130) Dividend: preference 49 - 49 erdinary 114 114 365 Per ordinary share 0.5p 9.5p 1,69		6 months to 30-9-79 (tunaudited)	6 months to 30-9-78 (unaudited)	Year to 31-3-79
Net property and investment income after administration expenses 1.811 1.498 3.089 Interest 1.650 1.483 3.182 Profit/(loss) before dealing and extraordinary items 236 78 (130) Dividend: preference 49 49 evdinary 174 114 365		£000's	£000's	£000's
Net property and investment income after administration expenses 1,811 1,498 3,089 Interest 1,650 1,483 3,182 Profit/(loss) before dealing and extraordinary items 236 78 (130) Dividend: preference 49 - 49 evdinary 174 114 365	Gross rental income	2,131	1.757	3.735
Profit/(loss) before dealing and extraordinary items 236 78 (130) Dividend: preference 49 49 49 9rdinary 114 114 365	investment income af administration expens	ter ses 1,811	1,498	
dealing and extraordinary items 236 78 (130) Dividend: preference 49 - 49 erdinary 714 114 365	Interest	1,650	1,483	3,182
Dividend: preference 49 49 49 ordinary 714 114 365	dealing and extraordin	ary		
erdinary 114 114 365		- 236	78	(130)
	Dividend: preference	49 -	· - :	49
Per ordinary share 0.5p 0.5p 1.6p	ordinary	174	114	365
	Per ordinary share	0.5p	9.5p	1:6p

The acquisition of lan Yetes As reported on December 12, FT Share end the further development of second half profits of £1.93m (£1.79m) lifted the total for the the Wynd Up record husiness. on the wholesaling side, will edd year ended October 31, 1979 to £4.05m (£3.72m) on turnover well ebead from £56.65m to £72.77m. significantly to turnover and profits, be explaios. The following securities have The dividend is increased to In retailing the group has been added to the Share Informore ootlets—a nel increase of 36 branches brought the total to

and higher dividends," Mr. Byem- 2.30 pm. Cook says.

2.85p (2.37p).
Hit by strikes end bed weather, the group's rate of progress slackened in 1976-79, but the chairman expects it to pick again in the current year. As at balance date there were

Our aim is higoer earnings . . .

compared with £360,000 essets secured bank overdraft was York).

NOTICE OF ISSUE **ABRIDGED PARTICULARS** Application has been made to the Council of The Stock Exchange for the undermentioned Preference Stock to be admitted to the Official List.

Full particulars of the Stock are available in the Extel Statistical Service and may be obtained during usual business hours from Messrs. Seymour, Pierce & Co., 10 Old Jewry, London EC2R 8EA. The Felixstowe **Dock and Railway Company**

(Incorporated in England on 19th July, 1875, by Special Act of Parliament) OFFER FOR SALE BY TENDER OF £6,500,000

9.5 per cent. Cumulative Redeemable Preference Stock, 1984 (which will meture for redemption el par on 31ei December, 1984)

Minimum Price of Issue £98 per £100 of Stock

Yielding at this price, together with the associated tax credit at the current rate, £13-84 per cent.

The issue has been underwritten by Seymour, Pierce & Co.

This Stock is an investment euthorised by Section 1 of the Trustee investmenta Act, 1961 and by paragraph 1 of Part III of the First Schedule therein. A deposit of £10 per £100 nominal amount of Stock applied for must accompany each Tender, which must be sent to Lloyde Bank Limited, Ragistrar's Department, Issues Section, 111, Old Broad Street, London EC2N 1AU in e sealed envelope marked "Tender for Felixstowe Stock" so ee to be received not later than 11 a.m. on Thursdey, 24th Jenuary, 1980, before which no ellotment will be made. The balance of the purchase money will be payeble on or before Thursday, 14th February, 1980. Tenders must be for a minimum of £100 Stock applied for end above that in multiples of £100. A separate remittance must accompany each Tender, and Tanders et different prices must be made on separate forms.

DIVIDENDS This Stock is antitled to a cumulative preferential dividand at the rate of 9.5 per cent, per annum and nn tax will be deducted therefrom. Under the Imputation tax system, the associated tax credit at the present rate of Advance Corporation Tax (3/7 ths of the diatribution) is equal to a rate of 4 1/14 per cent, per annum. The preferential dividends ere peyable in printing in dividends on the ordinary capital of the Company.

The first dividend an this 9.5 per cent. Cumulative Redeemable Preference Stock, 1984, covering the period from the 24th Jenuary, 1980 to 30th June, 1980, and amounting to £3-62 (the associated lax credit at the present rate being £1-55) per £100 of Stock, will be payable on 1st July, 1980. Thereafter dividends calculated to 31el December and 30th June will be payable half yearly on 2nd January and 1st July in each year.

GUARANTEE OF REPAYMENT AND DIVIDENDS European Ferries Limited ("EFL"), which owns 99-89 per cent. If the issued share cepitel of the Company, has agreed to provide any necessary funds required to redeem the 9-5 per cent. Gumulative Redeemable Preferenca Stock, 1984 and to pay up any arrears of dividend on such redemption.

The Company (incorporated as the Felixstowe Railway and Pier Company in 1875) carries on, under statutory powers, a port undertaking et Felixstowe. In 1951, Mr. Gordon Parker, now Life Precident, acquired control and a comprehensive programme of rehabilitation and development was commenced. This has resulted in the Port of Felixstowe becoming amongst the most modern and efficient port complexes in the world.

In November 1971 EFL acquired all the chare capital of Atlantic Steam Navigation Company Limited ("ASN"), which operates under the name "Townsend Thoresen" and provides a regular roll-on service for commercial and tourist traffic. In March 1976, pursuant to an offer, the Company became a subsidiary of EFL

offer, the Company became a subsidiary of EFL.

The Port now contains over 4,000 feet of quay space and berths at depths between 22 feet and 33 feet at LWOST. In addition, there is a tanker berth suitable for tankers up to 25,000 tons deadweight.

Services from the Port principally consist of container, roll-on/roll-off and general cargo services to North and South America, Europe, Scandinavia, West Airica, the Mediterranean, the Middle and Far East, lociand and the Caribbean together with car and passenger ferry services to Europe and Scandinavia.

The present Indications are that the growth of treffic over the next five years will result in the Port handling in excess of 8 million tons of cargo, including eome 400,000 containers, by 1985. In addition it is estimated that about 850,000 passengers will have passed through the passenger terminals in 1979 with at least 1% million by the mid-1980's.

PRESENT POSITION AND FUTURE PROPOSALS

The Felixelowe Dock and Railway Act 1979 recently received the Royal Assent. It empowers the Company to build a further 3,500 feet of quay as an extension of the Northern Development. The Company's immediate proposal is to construct about 1,400 feet of new quay wall and reclaim about 60 acres of seabed and foreshore. Harwich Harbour Conservancy Board ("the Board") have agreed to dredge the main channel to an increased depth of 30 feet at LWOST. The Soart have obtained finance for the purposes of this dredging and the repayments cannot be met by the Board out of certain agreed revenues. As part of the arrangements with Orient Overseas Containers (Holdings) Limited referred to below it has agreed to guarantee the Company's liability to the Board. The first 400 feet of the new quay structure and back up land will be used as an overspill container terminal for new and existing customers with e deep water berth of some 33 feet at LWOST.

ORIENT OVERSEAS CONTAINERS (HOLDINGS) LIMITED ("ODCHL")

OCCHL, one of the C.Y. Tung Group of companies, is a holding company, incorporated in Hong Kong, which owns majority shareholdings in certain companies which are owners or charlerers of the OCCHL ships. The Company has entered into an egreement with OCCHL under which the Company undertakes to provide 1,000 feet of new quay with a new terminal, which will be leased to OCCHL, or one of its subsidiaries, for e period of 35 years.

The Company has also entered into e 35 year agreement with OOCHL ("the Management Agreement") for the provision of labour and other services in relation to the new terminal. other services in relation to the new terminal.

PINANCING OF THE NEW DEVELOPMENTS

It is estimated thef the cost of all the proposed new works, including pre-completion interest, will be approximately £27 million. Of this £27 million. Finance for Shipping Limited ("FFS") has agreed to provide a secured loan of up to £11.7 million. The loan which is guaranteed by £FI, is to be repaid by £6 half-yearly instalments commencing on or about the 30th June, 1984. As a condition of the loan from FFS, £FI, has agreed that £75 million of the secured loans (together with the emount, if any, by which the net proceeds of this issue fall below £6 million) which it has made to the Company will not be repayable until the loan from FFS has itself been repaid. A further £95 million of the total cost relates to plant and equipment. Of this sum £4 million will be serviced by the Company under leasing facilities and OCCHL will provide the balance of £55 million. The remainder of the finance will be provided by the proceede of this issue and from the Company's own resources. It is expected that the total cost, excluding pre-completion interest, of the facilities to be provided by the Company for OCCHL will amough to approximately £11.7 million and that this amount, together with the interest thereon, will form the basis of the rent to be paid under the lease to be entered into with OCCHL, or lie nominated subsidiary.

The Directors estimate that, in the absence of unforeseen circumstances, the eurplus before taxation of the Company for the year anded 31st December, 1979 will be similar to that for the year ended 31st December, 1978 which amounted to £1,478,000. It is anticipated that there will be no taxefion charge in respect of 1979. Copies of the Prospectus and Tender Form, no the terms of which aimse Tenders will be considered, may be obtained from:—

> European House, The Dock, Felixstowe, Suffnik 1P118TB Lloyds Bank Limited,

PROFITS AND PROSPECTS

mation Service eppearing in the Financial Times: Carr Boyd Minerals (Section: Mines-Australie). Lontrim Group (Industrials). Medison Fund (Overseasnet current liebilites of £560.000 New York). PHH Group (Overseas-New Snia Viscosa and Priv. (Overeccounts also show e seas-Italy).

amro bank

AMSTERDAM-ROTTERDAM BANK N.V.

in Luxembourg.

January 21, 1980.

Property Security Investment Trust Limited

Interim Report

	30-9-79 (unaudited)	30-9-78 (unaudited)	Year to 31-3-79
	£000′s	£000's	£0000's
Gross rental income	2,131	1,757	3,735
Net property and investment income a administration expan Interest	fter ses 1,811 1,650	1,498 1,483	3,089
	1,050	1,463	3,182
Profit/(loss) before dealing and extraordi	nary		
items	236	78	(130)
Dividend: preference	49 -		. 49
ordinary	174	114	365

Seymour, Pierce & Co., 10 Old Jewry, London EC2R BEA

RT11 7BA

Lloyds Bank Limited. 33 Hamilton Road, Felixstowe, Sutfolk,

The Felixstowe Dock and Railway Company.

Registrar's Department, Issues Section, 111 Old Broad Street, London EC2N 1AU

INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BONDS

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7. 1980

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BY NICHOLAS COLCHESTER and FRANCIS GHILES

The lure of gross coupons

THE FLIGHT from abort-term into long-term investments, which the dollar section of the wirebond market has long-been looking forward to, developed with striking effect in the sterling fixed interest market last week. Since the beginning the lanneb, but by the end of fidentiality. The market was aliva with but the rise in prime rate to firmly in the right direction rumours of other Eurosterling 154 per cent announced by again. The big bond was said issues, but none matarialised. First Chicago last Friday was for the year the yield on the 25-year British gilts had dropped by almost 1 per cent to 13.7 per cent by the end of last week with most of the fall occurring to be selling moderately well: with a selling period stretching until Tuesday week there is no The yield on the Citicorp bond.

in the last six trading days.

The upsurge resulted from foreign as well as domestic in vestment, so the moment was propitious to re-open the Euroand final terms, is paid gross and this means that comparison with sterling bond market after a six-month closure. It bad been clear for some time that it was the gilt 13 per cent 1990, which yields 14.4 per cent (AIBD basis) but interest on the borrowers who had to be attracted bafore this could which is paid net of tax, is problematic A straw poll of Continental bankers revealed Citicorp took the plunge with the major disincentive posed by a \$50m bond for 10 years at 131 net interest payment, with per cent conpon — a black. Germans talking of "months"

buster for a sector with Euro- spent in arranging refunds from modities. The price of bullion line with those on other recent sterling's chequiered reputation, the Inland Revenue, and with rose by en unbeard of \$210 to benk FRN notes.

A hiccup in the gifts market on the Swiss objecting to the Thursday appeared to jeopardise required breach of coproduction of the language but by the coad of sterline interest was shown by

issues, but none matarialised. First Chicago last Friday was It is clear that the Bank of the smoka signal many had England now wants to keep been waiting for: a further rise itself better informed of the in U.S. interest rates is widely future demands that may be expected and straight dollar made on the Eurosterling bond prices responded by sector. This slight modification shedding 1-1 a point on a day. made on the Eurosterling sector. This slight modification of up to 13.75 per cent, depend of the "bands off" attitude up on the selling concession which the bank has adopted and final terms, is paid gross and till now is due to the abolition: of exchange controls. Eurostarling issues now compete for funds with domestic sterling

only new issue last week was a \$30m seven-year floating rate Other sectors of the market note for Nippon Credit Bank were stunned into a state of which included a minimum complete inactivity—at least on coupon of 5½ per cent end an the trading front—as investors interest rate of ½ per cent over and speculators continued to the three-month interest rate. pile into gold, silver and com-

remote from last week's events, little interest was shown by investors, particularly at the beginning of tha week, in FRN noies the coupons of which are due to be readjusted during the next few weeks.

The launching of a DM 150m public offering for öster-reichische Kontrollbank and a DM 50m bond for Jutland Tele No panic selling by investors phone brings the volume of new foreign bonds floated during was reported but none the more the past threa weeks to \$1.12bn was anyone interested in buythe highest figure in 12 months ing paper, even where it was yielding above 12 per cent. The

No new D-Mark foreign bonds ara expected to be launched this week as the market will have to absorb DM 2bn worth of "Carter bonds." The first tranche of this issue of U.S. Treasury bonds in the German domestic capital market was arranged last November.

BY FRANCIS GHILES

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	m.	Maturity	years	% _	Price	<u> </u>	<u>%</u>
U.S. DOLLARS							
‡†Banco de Bogotá	25	1985	5	7 0	100	Chemical Bank	7.120
§Ajinomoto Co. Inc.	40	1995	10	7}	100	Nikko Secs., Merrill Lynch, Nomura (Europe)	7.900
†Nippon Credit Bank Fin. NY	30	1987	7	210	100	5. G. Warburg	5,390
					140	0: 0: 1141Pai8	
D-MARKS	250	1985		-1	991	Deutsche Bank	7.567
‡Norway	150		5 8	71			8.131
‡IADB	130	1988	8 .	• .	9 91	Deutsche Bank	9.13
Oesterreich, Kontrak.	150	1987	· _	-7	- 100	Daniela Barle	7.87
(g'teed Austria)			. <u>7</u>	7 7 8½	. 100	Deutsche Bank	7.070
Jutland Telephone Co.	50	1990	10	82		Dresdner Bank	
SWISS FRANCS				• •			
igenerale Occidentale	50 .	1990	-	5 <u>‡</u>	700	UBS	5.500
Intl. BY	60 '	1990	_	· 5 7	100	Soditic, Credit Lyonnak	s 5.875
t**World Bank	150	1986	_		100	UBS	5,500
\$Bombardier inc.	21	1992		5 <u>1</u> 53	100	CCF (Suisse)	5.750
STERLING							
Citicorp O'seas .							
Fin. Corp.	50	1990	7	13 ‡	100	CSFB .	13.500
YEN							
Province of Quebec	20bn.	1990	9.	8.3	99.95	Nomura Secs.	8.460

tt Registered with U.S. Securities and Exchange Commission. 1 Purchase Fund. Note: Yields are calculated on AIBD basis.

EAST EUROPEAN BORROWING

No cold war with credits

LENDING TO Eastern Europe will breadly withstand the Rus-sian invasion of Afghanistan but borrowers in Eastern Surope will have to pay higher interest rates on their loans, and will ba faced with shorter maturities, according to

Last year East European countries raised an estimated \$3.6bn worth of loans in the international capital markets. Their net bard currency debt at the end of 1978 was estimated at \$55.7bn and the figure is believed to have topped \$60bn last year.

Both the size and competition of the hard currency debt run up by the various East Euro-pean countries varies a lot. The largest gross debt figure (i.e. which does not take into account the deposits the debtor might have in Western banks) is that of Poland, estimated to have reached \$18.5bn at the end of 1979. Of this total, \$12bn is ratio (54 per cent of hard cur-

Mr. Henryk Kiesel, Poland's and because the country is not Minister of Finance, confirmed viewed as a hard line ally of only a week ago that his country the USSR, it benefits from a would need to raise \$55n in "prejuge favourable" in Smaller (\$4.5bn) but the consent the soundest run smaller (\$4.5bn) but the country debt service ratio is and service its existing debt. But there is another, possibly believed to be higher than that Polish figures of debt service more fundamental reason why of Poland. Because it is pos-

CUMULATED TRADE DEFICIT OF GOMEGON GOANTRIES WITH OEGD 1974-78 AS RATIO OF EXPORTS 5002-70 OEGD IN 1978 TOTAL ONG TRACE WILL WEST GERMANY

extent than its neighbours have Mr. Henryk Kiesel, Poland's and because the country is not

Poland, which bas been paying secounted for by Exim and supplier type credits and the balance by financial credits, one-sifth of which is in the form of short-term—tinder 12 months—opened its books to a greater shows accept that, refusing to opened its books to a greater shows accept that, refusing to opened its books to a greater shows accept that, refusing to opened its books to a greater shows accept that, refusing to opened its books to a greater shows accept that, refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing to opened its books to a greater shows accept that refusing the refusion of the loans its rate. lend to Poland would amount to cutting their nose to spite their

sibly the closest ally the USSR bas in Eastern Europe, its powerful neighbour could ba expected to help out in case of repayments difficulties. Many bankers argue that its closeness to the USSR will make it more difficult for Bulgaria to raise loans. What bankers agree on is that it will now bave to pay way above the margin it margin of 1-1 per cent above the interbank rate for 10 years.

Many bankers also feel that the other close allies of the USSR could find it difficult to raise loans in the next few months. Czechoslovakia may not suffer. It has the smaller debt of all East European countries and ia not expected to borrow much in the next few East Germany may feel the pinch. One senior West German

banker put it bluntly. "We sbould register our disaproval by staying away from the Olympic Games and not partici-pating in syndicated credits for USSR and its close allies for the time being." It would be ironic if subsequent events were to vindicate this view, as

SONDTRADE INDEX AND YIELD

Jan. 18 ... 90.89 10.41 80.63 71.20 Jan. 11 ... 90.90 10.40 80.71 11.18 High *80... 91.03 (2/1) 21.18 (2/1) ow '80 ... 90.89 (10/1) 80.63 (18/1) EURIBOND TURNOVER

If the view expressed_above prevails—and only French bankers are adament that it is "business as usual"—then Hungary and Romania should suffer less than tha aforementioned.

The irony which really takes the edge off the credit weapon is that the USSR would barely feel its impact. The USSR bad a gross hard currency debt of around \$15bn be subtracted. It repaid some of its loans in advance last year and the net exposure of U.S. banks to Soviet risk stood, at the same date at the low figure of \$815m. The USSR is not expected to need to borrow this year in the international capital markets, not least because of the huge rise

Hungary has opened its books more than most in the East, if not as much as Poland to Western bankers and Romania. obtained on its most recently both on account of its foreign signed loan, which had a split policy and the fect that the bulk of its \$5bn debt accounted for by loans from the World Bank and the IMF (\$1.57bn) and suppliers end Exim type credits (\$2.5bn).

> October 6. at the end of last year, from than expected economic growth which about \$5bn worth of at the end of last year, such as deposits in Western banks must a pick up in housing starts and interest rates are not respondin the price of gold and other

OFFICIAL confirmation that point in a moderate recession, short-term rates at a time of the U.S. economy is still not came at a period of divergence in recession was enough to send already nervous bond traders in money market rates. This sales. has resulted in a somewhat coner at the end fused pattern, with short-term rates still running at 100 basis

Commerce points or more below peak scampering for cover at the end

Scamper for cover

Although the Commerce Department's final figure on gross national product growth in the quarter—1.4 per cent at an annual rate—was a little INTEREST RATES COMPARED lower than officials' recent estimates, it was enough to send yields on some long-term bonds above the highs they hit last autumn, following the inflation Three-month Treasury 12.04 11.72 fighting package announced by the Federal Reserve on

U.S. BONDS

of last week.

Three-month commercial 13.0 13.0 paper Federal funds weekly Other indicators of stronger 13.62 13.26 average Treasury 30-year bond 10.43 10.23 Long-term AAA utility 11.50 11.35 Long-term AA industrial 11.13 10.90 a lower than expected fall in M1 money supply (which fell 11.73 10.90 by \$700m in the last reported Source: Salomon Bros. Estimates. week), appeared to convince the markets that the twin beast of bigher inflation and high levels of early November, while

forecast by many as the low the seasonal depression in

beavy volume of corporate bond

BY IAN HARGREAVES

With investors still nervous about longer term issues, de-mand for short-term notes has remained relatively strong, but Chase believes that the normal market process of bringing short and long-term trends into line is more likely to be achieved by higher short rates than by a drop in long yields.

By the end of the week high grade corporate long-term issues were yielding as much as 15 basis points above their antumn 1979 peaks, although long government bonds and municipals were still slightly under their high points.

Last week's major issue of \$450m of Bell Telephone 11? debentures was virtually sold out by the end of the week at its record yield of 11.4 per cent in 40 years. The sale was not achieved, bowever, without some sticky moments in midweek and long-term corporate bond yields there is some concern in the ing to the Fed's medicine.

The evidence of continued economic growth in a quarter, which lo mid-1979 was being incongruities arising partly from press the market too hard too quickly.

FT INTERNATIONAL BOND SERVICE

YEN STRAIGHTS

<u></u>							,
U.S. DOLLAR				Chan	ge on		. 1.
STRAIGHTS	factord	Bid	Offer	day .	week	Yield	. 1
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Alex Howden XW 91 9		· 176	77	$+m^2$	-15	13 6	E 1
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Australian Res. 9% 84			917	-04	-02	12 (1	•)
Avcq . 1/5 Cap. 104 87		813	87	-01	-07	74.4	
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CECA 9- 99	125	179%			-1		
Canadian Pacific 9 8	50	883			-i .		
Carter Hawley 94 86	50	884			-0-		
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Continental Grp. 95 86		801	89	÷شت	-01	12 06	
Dome Petroleom 10 94		87			-14		
Dominion Bridge 10% 84		944	941		-AL	11 8	
EIO 411 02	80	98%	067	_~~	-04	12 30	· 4
EIS 11" 92	150		851	-06	-04	17 41	
FIRMOL RI	100	914	917		~0%	12.27	, (
FIR 40 15 99	100	857	364		-07	12.43	
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Eventuar De Con St. Re	-700	911	B13.	-02	-0-	11.98	1
English Dy Con. 91 84	150	927	913. 933	-0-	-0-	11.72	2 . 1
Fintable 94 89	109	87	87%	-0-	-02	12.23	
GTE Finance 91 89	55	987	893	-05	-04	11.69	
GMAC 91-86	100	885		-0-	-05	11:79	
GMAC - 0/5: Fin: 11 84	100	96%	975	-84	-04	11.79	
Goold Int. Fin. 94 85	. 50	91%	924	-04	-04	11.91	
ITT Antilles 91, 88		88%	887.	~%	-ሜ	11.94	
Kennecon Int. 92 86		86%	874	-0-2	-04	12.60	•
Manitoba 91, 89	75	· 257s	86%				
Michelln 10 94		.87.3			— Oz.		
Not. Des: Telecm. 91, 86	100	897	80	-04	-07s	11.84	
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Newfoondland, 10 94	. 50	. 88	8872	-0-5	-14	11.73	١,
Norges Kemm. 97, 99	100	84			-13		
Norway 92 84	.150	92	92 -2	-04	-07	17.00	1.
Nova Scotie PWr. 9% 89	50	87%	88.4	-04	-02	11.03	
Occidental Fin. 104 84	50	93	944	-0.2	-0.7	12.00	
Drient Leasing 912 86 Pennwalt O/S F. 91 84	25	88			+04		
	25	917	92 3	-03	_02	11 67	
Penalco Cap. 94 84	.100	921	854	-43	-37	12 M	ľ
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Seem Bosovck B 82	150	94 884		_00		44 R9	
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		927	934				
Sweden 94 84	100 -	87'.	88	-0-	-04	11.69	1
Werner-Lembert 9 84	100	91	917	-0-	-0-	11.59	
· Average price chang	186 D	n day	O-5 a	m.w	ek –	05	1
	,						1

Onliever HV 37 07	De 007 OI -01 11 EG
Werner-Lembert 9-84 100	21 21-7 -04 -04 11:22
· Average price changes Il	n day 0 n week 0 n
	Charles on
DEUTSCHE MARK	Change on
STRAIGUTS (seried)	Bid Offer day week Yield:
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Argentine 74 89 150	92'2 93'4 -0'4 +0'4 8.94
	207 201 -01 - 11 D 20
Asian Oev. Bk. 74 89 100	927 934 -04 -14 8.29
Barclays O'seas 6 89 100	914 924 -04 -32 7.99
Brezil B 87	944 954 -7 -74 8,92
CECA 7 21 150	93 93% -04 -0% 7,90 .
Coursell of Con 171 CO 1400	94 85 -0 -1 207
Council of Eur, 74, 89 100	
EFC 72- 94 225	97 974 -04 -07 8.18
EIB 72 89	963 873 -03 -03 7.96
EIB 81 89 100	
Finland, Rep. of 8 86 160	977 985 -01 -01 8.34
	90 97 -01 -02 7.56
	962 974 +04 +84 7.36
Mitsubishi Chem. 6 84 70	30'2 3/4 TUY TON 7.30
Neder. Gegunia 2 86 100	102 - 103 0 -0 - 7.47
New Zealand 7 87 200	957, 963, -1 -13, 7.78
Nippon Kokan 6 2 84 100	941 947 -01 -01 0.08
Hippon Nakan 02 01 II.	851, 861, -01, -21, 8.22
	999, 1003, -01, -01, 7.74
Norges Komm. 74, 91 150	98° 100° -0° -0° 7.74 96° - 97° -0° -0° 7.13
Norway 64 84 200	96°- 97°0°0°- 7.13 88°- 89°0°0°- 8.14
OKR 5 87 ~	887, 891, -01, -01, 8.14
OKA 73 89 100	965 975 - 05 - 05 7.82
Tokyo, Flac. Pwr. 65 85 200	937 944 -04 -14 7.86
	95- 96 -72 8.35
World Bank 7% 91 400	
World Bank 7's 90 250	987, 977, -01, -1 8.29
2. Average price charges O	n day -0-2 on week -1
4	
SWISS FRANC	Change on
STBAIGHTS Issued	Bid Offer day week Yield
Argentine 54 89 80	347, 341, -01, 0 2.32
	89 89 -4 -5 2.52
Aumar 6 89 80	
Australia 3% 89 250	
Bargen, City of 4% 91 40	
BNDE 5 89 75	88 97 -0 -13 2.90
BMW Overseas #4 91 100	93 937 -01 -21 5.02
	944 954 +04-04 5.04
- This is a second of the seco	927, 932, +03, +04, 4,59
Canade 35 89 300	- not no 101 -01 - 5 22
Copenhagen 47 91 90	931 94 +01 -01 5.22
Council of Eur. 5 89 109	20.1 00.1
FID 43 01 100	89 891, -2 -3 5.61

A 94-99 125 1794 804 -04 -1 12.90 .	Change on
adien Pacific 9% 89 50 88% 89% -0% -1 .11.75!	UINER STRAIGHTS Issued Bid Offer day week Yield
ter Hawley 9% 86 50 88% 89% -0% -0% 12.25	Avco Fin. 104 88 CS 25 88 882 +04 0 13.03 8ell Canade 104 86 CS 60 923 934 -04 -04 12.31
raico lav. E. 101, 91 : 40 892, 90 -01, -01, 11.91	Cr. Foncier 104 84 C\$ 30 90 914 +04 +04 13.03
innental Grp. 95 86 100 893 895 -05 -05 12.06	Ex. Dev. Con. 10 84 CS 50 924 927, 0 404 12 26
ne Petroleom 10 94 50 874 874 -04 -14 11.82	Fat. Can. Inv 10 84 Ct 50 901 911 0 0 70 70
111 92 80 981 967 -01 -07 12.30	Huuson 889 10- 89 CS 80 895 905 - 05 - 01 12 38
111, 92	Queboc 104 88 C5 50 904 914 0 -04 72.36
40 2 87 100 514 912 -04 -07 12.27	R. Bk. Canada 10 88 C\$ 40 914 924 0 -01 11.87
My and bo first Millians Trans. 'sand the district of the sand	R. Bk, Canada 10 94 C\$ 40 844 854 -04 -04 12.25 Copenhagen 84 91 EUA 20 984 994 0 +04 8.84
9016 114 87 50 954 964 -04 -04 12.13	Copenhagen 8'4 91 EUA 20 . 98'4 99'4 0 +0'4 8.84
nr Dv. Con. 84 84 -400 914 914, -04 -02 11.96	ML Bk. Damk. 9 91 EUA 25 1952 952 0 -04 8.57 SOFTE 04 89 EUA 40 887 897 0 +02 10.00
ost Dv. Con. 95 84 150 924 934 04 05 11.72	
	Aney 82 86 Fl
AFINANCE 95 39 30 30's 30's Us Us 11-05.	Amer 82 86 F1
ACT THE COLUMN THE PROPERTY OF THE PARTY OF	Norway 84 84 Fl 100 96 964 -04 0 .2.32
	Norway 84 84 Fi 100 96 967 0 -04: 9.25
	Rebobenk B 94 Fl 25, 101 1011 0 +01 8.66
	Air France 11 84 FFr 120 975 985 +05 -05 11.90
train 01 80	Euratom 94 87 ffr 150 . 854 864 0 +04 12.73
nelin 10 94	Finland 11 84 FFr 80 95 96 0 -0 12.23
Des: Felecm 9-86 100 89-80 -0-2 -0-8 11.84	Finland 11-2 89 FFT 70 1944 954 0 -02 12.46
Remark 93. 94 75 - 85 853 - 03 - 04 11.95	Gaz de Frence 11 84 FFr 150 974 984 0 0 11.65
toondland 10 9450 .88 885 -05 -15 11:73	18M France 11% 84 FFr 120 96% 97% -0% -0% 12.68
res Kemm 97, 99 100 84 85 -04 -14 12-29	Reneult 9% 85 FFr 100 88% 89% 0 -0% 12,58 9eint-Gobain 9% 86 FFr 130 85% 86% 0 0 13,14
Ney 9- 84	9eint-Gobaln 93, 86 FFr 130 853, 863, 0 0 13.14 Solvey et Cle 93, 87 FFr 125 83 94 -03, -03, 13.42
Scotie PWr. 94 89 50 874 884 -04 -07 11.83	Solvey et Cie 93, 87 FFr. 125 83 94 -03, -04, 13.42 Total IIII 93, 87 FFr 150 83 84 0 +04, 13.04
dental Fin. 10-84 50 33-94-3-0-2-0-12.09 nt Leasing 9-2-86 25 88 88-2-0-3 +0-12.20	EIB 112 91 E 25 87 874 +04 -04 13.72
	Finance for Ind. 13 97 £ 15 95% 96% -0% -0% 13.70
	. Fin. for Ind. 124, 89 f 30 94% 95% -0% +1% 13.43
han Muden 10 00 75 . 843. 8531 -13. 12.01	Gen. Elec. Co. 12-2 89 £ 50 844, 95-2 -0-1 +1 13.44
Brebuck 8 82 150 94 947 -04 -04 12.28	Indonesia 8% 97 KO 7 1934 84 0 0 9.66
100 881 885 - 01 - 01 T1.89	Mitsobishi 72 94 KD: 10 1963 957 0 0 2.89 Norges Kom 74 88 KD 12 1933 937 0 0 8.51
	Norgee Kom. 7- 88 KD 12 1933, 937 0 0 8.57 Recidents 84 61 K0 7 1904 904 0 0 9.65
den 91, 86 200 851, 901, -01, -01, 12.17	Discidental 8% 91 KO 7 190% 90% 0 0 9.65 Akzo 9% 87 Luxfr 500 947g 957g 0 F07g 10.12
den 92 84 100 927, 937, -04 11.74	Euratom 8 87 Luxfr 500 90% 91% 0 +0% 9.71
BOB! NV 95 57 100	Euratom 9% 88 LuxFr 500 98% 100% 0 0 9.79
ner-Lambert 9-84 100 91 917 -04 -05 11.59	Onlo, City of 8 89 Luxfr 500 901, 911, -01, +01, 2.56
Average price changes In day -0% on week -0%	Volvo 9% 87 LuxFr 500 96 99 0 -0% 10,02
	FLOATING RATE
TSCHE MARK Change on AIGHTS Issued Bid Offer day week Yield:	NOTES Spread Bld Offer C,dts C.con C.yld
AIGHTS Issued Bid Other day week risks an nev, ak 8 87 100 87% 97% -0% 8.44	Allied Irish 8k. 5k 87 04 88 984 2/7 154 15.39
ntine 7- 85 150 92'2 93'4 -0'4 +0'4 8.94	Banco di Rome Int. 6 87 (Pa 99% 100% 26/4 15% 15.77
n Oev. Bk. 74 89 100 92% 83% -0% -1% 8.29	Benco Urgulio B 86 04 974 974 21/3 134 13.72
100 0'000 65 89 100 913 923 -03 -35 7.99	Bank of Ireland 54 88 104 974 974 21/2 15.69 16.07
1 R 87 150 944 954 -1 -14 8.32	Bank of Tokyo 54 89 \$04. 974 984 25/1 18.19 16.54
A 7:31 150 93 93% -0% 7:30	Bercleys O/S inv. 5 60 04 974 974 13/2 144 14.62
cit of Eur, 74, 89 100 944, 854, -04, -14, aLU7	Bergen 8k. A/8 8 89 ±0 4 95 9 96 29/2 14.31 14.89 8que. Indo 8uss 0 89 0 98 98 211/7 14.69 14.95
77- 94 225 97. 974 8.18	Bque. Indo Buss 0, 89 0, 98 98, 11/7 14.69 14.95 Citicorp D/S F. 6 94 10, 98, 99, 2/3 14.44 14.60
7- 85 200 96- 97 7-50	Citicorp 0/S F. 83\$#0 99-100 23/2 154 15.16
89 ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Chicorp 0/5 F. 84 #0 99 991, 29/2 15 16.11
nd, Rep. of 8 86 160 97% 98% -0% -0% 8.34 City of 74 89 150 98% 97% -0% -0% 7.56	Co-operative: Bk. 5 88 04 974 984 15/5 15,06 15.37
City of 74 89 150 95 974 -04 -02 7.50 Ubishi Chem. 64 84 70 962 974 +03 +84 7.36	Creditanatait 572 91 \$10% 97% 98% 14/3 14% 15.18
ir. Gegunie 2 86 100 1021, 103 0 -01, 7.47	CNT 54 88 504 -994 997 16/4 15.12 15.24
Zeeland 7'- 87 200 957, 963, -1 -13, 7.78	GZB. 57, 89 #0% 987, 89 1/2 16.10 19.39
on Kokan 61, 84 100 941, 947, -01, -01, 0.08	Jugobanka 8 89 04 93% 94% 23/5 12 12.95
on Tai & T 5%, 97 100 85% 85% −0% −2% 0.44	Ind. Bank Japan 5-, 87 0-, 97-, 97-, 15/4 14-, 14.63 17CB Jepen 5-, 88 0-, 97-, 97-, 13/2 14-, 14.60
es Komm. 72, 91 150 992, 1003, -012, -013, 7.74	LTCB Jepen 54 88 54 974 977 13/8 144 14.60 LTCB Jepen 52 89 54 974 974 7/6 14.19 14.57
TO 18 18 18 18 18 18 18 18 18 18 18 18 18	Mirs. Han. D/9 54 94 \$04 984 987 29/2 13.81 18.01
	Midland Intl. Fin. 5 89 04 994 1004 20/6 16 15.02
Sies Pur 65 95 200 937 947 -04 -14 7.86	· Necional Fig. 05 86 05 975 98 25/1 115 11.76
400 951 96 -72 8.35	Not. West 54 94 \$04 98 964 11/4 14.94 15.21
Bank 77, 90 250 967, 973 -01, -1 8.29	Nippon Cred. ak. 6-2 80 0-3 97-3 97-4 12/7 14.44 14.7
Iverage price chariges On day -0-1 on week -	Royal Bk. Scot. 54 94\$104 984 984 11/4 144 14.85 Soc. C. de Bone. 67 87 07 984 984 3/4 134 13.73
	Soci C. de Bque. 6-2 87 0-4, 96-4, 96-4, 3/4 13-4, 13-73 Gogeool 5-4, 89
legard Rid Offer day week Yield	Bweden 84 S1 103, 974 973 18/1 16 15.38
ANNA EL SU LILI DE SET CEL LI	TVD Pwr. 8 21 (D-lock) 04 974 974 24/5 15.31 15 Ph
80 894 894 -44 -54 2.52	Williams & Glyn 04 91 04 964 97 14/3 13 13.44
7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Bq. E. d'Alg. 44, 89 SF 04, 957, 964, 12/6 8.69 5.95
in, City of 4% 91 40 954. 864 -01 -12 3 90	Average price changes On day 0 on week 0
5 89 75 82 87 -01 -21 5.02	CONVERTIBLE CIW. City. Chg.
Oversess 44 51 100	BONDS date price Bid Offer day Prem
	AGA Akt'boleg 74 8910/79. 145 _ 992 1002 - 02 - 1.83 Alco Int. Fin. 92 94 1/80 40 922 932 - 02 15 00
Standard 90 93'2 94 +0'1 -0" 5.22	Alco Int. Fin. 92 94 1/80 40 922 932 -02 15 04 Asabi Optical 7 9411/79 805 94 95 0 8.84
11 - F - F 00 100 953 967 0 - 01 5.59.	Canon 64 94 8/79 570 1024 1034 +04 1.69
	Clbe-Gelgy 1/9 F. 4 94 8/79 575 87-2 96-2 -0-2 -2.89
7, 91	· Credit Suisse 4% 9310/79 1325 109% 111% +0% 0.23
da France 42-89 100	Telel Inc. 65, 9411/79 1020 85% 97% +0% 7.34
42 89 100 90° 315 -04 -17 540	Eastle 73, 89 2/79 159 934, 945, -05, 0.92
42 3	Honda Motor 5- 85 5/73 532 1042 100 -3 3-23
ID. NV 37 94 250	IPC Intermetal, 8 89 9/79 35 1087, 1083, +83, 1.18 Meldensha Elec. 7 94, 12/79 210 194 .95 0 19.75
mer. Dev. 42 89 180 903 91 +04 -13 4.78 /sie 5 88	LPC Internation 8 88 9/79 35 1087, 1087, +83, 1.18 Meldensha Elec. 7 9412/79 210 194 : 95 0 19.75 Mitsubishi Cp. 67, 9410/78 604 1247, 126 -17, 3.42
	Nippon Selko 7 94 12/79 339 534 94 0 8.28
C Rank 5 89 45 991, 991, -01, -1 5.05	Nitto Bec. Ind. 8 94 7/79 736 784 794 -04 10 47
Komm: 44 81 100 90's 91 -0's -1 5.46	Tothiba Con. 74 94 10/79 198 954 964 +0". 8.44
37, 91 100 834 837, 0 -17, 5.78	tinian Bk, Bwitz, 5 88 2/80 125: 117- 1125 +05 503
43. 91 100 69 691 -01 -01 July	
City of 44, 91 100 - 884, 63 - 91, -91, -91, -91	Kensei Elec, 4 84 0M 4/79 7234 851, 861, -01, 50,75
by in Pur. 43, 89 100 944 954 -14 -24 2.32	TARRILL (4 1:4 4 86 138 4/2) 443 774 784 - 15 40,07
2 91	. toute ser ebt . se em die . see . see
A PA - PA - PA - P1 - P1 - P1 - P1 - P1	Uny Co. 62 85 OM 11/79 1071 - 965 977 - 02 19.47
180 494 97 00 367 367 15 15 15 15 15 15 15 15 15 15 15 15 15	uny Co. 6- 85 OM 11/79 1071 - 96- 97 05- 19-47
Aloine 43, 89 90 86 85 -0', -3', 5.41	Uny Co. 62 85 0M11/79 1071 - 965 973 - 02 19.49
heg 4, 89 50 86 85; -07, -3, 5.41 April 8enk 4, 89 50 97, 97, -05, -05, 4.96	Uny Co. 6-85 0M11/79 1071 -96-579 -0-2 19.49. O The Financial Times Ltd 1980. Reproduction in whole or in part in any form not permitted without written
Aloine 43, 89 90 86 85 -0', -3', 5.41	Uny Co. 65-85 0M11/79 1071 -965 975 -05 19.47

	Average price changes On day 0 on week +01
4	OTHER STRAIGHTS Issued Bid Offer day wook Yield
	Avco Fin. 104 88 C\$ 25 88 .88% +04 0 13.03
:	
	EX. DBV. CDD, 70 84 CS 50 92% 52% 0 101 12.28
	Fst. Can. Inv. 10 80 CS 50 904 914 0 0 12.79 Hurison 8ey 104 89 CS 60 894 904 - 04 12.38
·	Queoec 10, 88 C2 50, 90, 91, 0, -0, 12.36
1	R. 8k: Canada 10 88 C3 40 911 921 0 -01 11.87 R. 8k: Canada 10 94 C3 40 841 851 -01 -01 12.25
1	Copunhagen 84 91 EUA 20 887 994 0 +03 884 M. Bk; Damk. 9 91 EUA 25 1957 967 0 -04 8.57 SOFTE 94 38 EUA 40 887 897 0 +04 10.00
. [MLBk: Dnmk. 9 91 EUA 25 1957, 967, 0 -04 5.57 SOFTE 04 38 EUA 40 887, 897, 0 +01, 10.00
H	Angemene Sk. 84 84 F1 75 972 98 0 +04 8.84
]	
1	Norway 84 84 Fi 100 96 964 0 -04 9 25
.	Rebobenk 8 94 Fl 25, 101 101 0 +04 8.66
. 1	FUNDOM NO. 87 FFF. TSO NSL RES. D 4.01 12 72
J	riniand 11 84 FFF 84 35° 96° 0 -0° 12.23
. [Finland 11 ² , 89 FFr 70 94 ³ , 95 ³ , 0 -0 ³ , 12,46 Gaz de Frence 11 84 FFr 150 97 ³ , 98 ³ , 0 0 11.65
ı	IBM France 114 84 FFr 120 964 974 -04 -04 12 68
-	Reneult 9% 85 FFr 100 88% 89% 0 -0% 72.58 Seint-Gobeln 9% 86 FFr 130 85% 86% 0 0 13.14
1	Total III 93, 87 FFr 125 83 94 -0-1 -0-1 13.42
.	EIB 112 91 £ 25 87 87% +0% -0% 13.72
1	Finance for Ind. 13 97 £ 15 50% 50% -0% -0% 13.70
ľ	Gen. Elec. Co. 122 89 £ 50 944, 952 -01 +1 13.44
۱.	Indoneels 8% 81 KO 7 1937, 84 0 0 9.66 Mitsobishi 77, 94 KD 10 1957, 957, 0. 0 2.69
1	Morgee Kom. 74 88 KD 12 1934 937 0 0 8.51
ł	
1	
1	" Delo City of G 89 Liver 500 901 911 -01 +01 2 55
ı	Volvo 94 87 LuxFr 500 96 99 0 -04 10,02
١	PLOATING RATE NOTES Spread Bid Offer C.dte C.con C.vid
ł	NOTES Spread Bld Offer C;dte C.cpn C.yld Allied Irish Bt. 5½ 87 0% 28 98% 2/7 15% 15.39 Banco di Rome Int. 687 0% 99% 100% 25/4 15% 15.77 Banco Urquijo 8 85 0% 97% 97% 21/3 13% 13.72
ł	Benco Urquijo B 86 0's 97's 97's 21/3 13's 13.72
.1	Banco di Rome Int. 6 87 04 994 1004 26/4 154 15.77 Benco Urquijo 8 85 04 974 974 21/3 134 13.72 Bank of Ireland 54 89 404 974 977 21/2 15.69 16.07 Bank of Tokyo 54 89 404 975 987 25/1 18.19 16.54
ď	Sercioys U/S Inv. 5 50 Us. 3/2 3/2 13/4 144 14.02 (
1	Bergen Bk. A/8 8 89 \$0 95 95 96 29/2 14.31 14.89 Bque. Indo Buss 0 89 0 98 98 98 11/7 14.69 14.95
ŀ	Citicorp IL/S F. 6 94 10- 985 99- 2/3 14.44 14.60
1	Citicorp 0/5 F. 83\$10 99, 100 23/2 151, 15.16 Citicorp 0/5 F. 84 10 99 99, 29/2 15 16.11
١	
1	Carallina and la El D1 SACC 073 007 1479 147 1E-40 1
1	Creditanatalt 3'2, 91,, \$104 9/4 984 14/3 14's 15.78
	Creditanatalt 3'2, 91,, \$104 9/4 984 14/3 14's 15.78
	Creditanatalt 3'2, 91,, \$104 9/4 984 14/3 14's 15.78
	Creditanatalt 3'2, 91,, \$104 9/4 984 14/3 14's 15.78
	Creditanatalt 3'2, 91,, \$104 9/4 984 14/3 14's 15.78
	Creditanatalt 3'2, 91,, \$104 9/4 984 14/3 14's 15.78
	Creditanstair 51, 51 3104 974 984 1473 147, 15.12 15.24 CNT 51, 88
	Creditanstair 51, 51 3104 974 984 1473 1474 15.12 15.24 CNT 51, 88
	Creditanstair 51, 51 3104 974 984 1473 1474 15.12 15.24 CNT 51, 88
	Creditanstair 5*, 51, 3104, 974, 994, 1473, 1472, 15.78 CNT 5*, 88
	Creditanstair 5*, 51, 3104, 974, 994, 1473, 1472, 15.78 CNT 5*, 88
	Creditanstair 5*, 51, 3104, 974, 994, 1473, 1472, 15.78 CNT 5*, 88
	Creditanstair 5*, 51, 370*, 974, 1473 147, 15.12 15.24 CNT 5*, 88
	Crofitanatair 5*, 51, 370, 974, 984, 1473, 147, 15.12 15.24 CNT 5*, 88
	Creditanstair 5*, 51, 3104, 574, 594, 1473, 1474, 15.12 15.24 CNT 5*, 88
	Creditanstair 5*, 51, 3104, 974, 984, 1473, 1474, 15.12 15.24 CNT 5*, 88
	Croditanstair 5*, 51, 370, 97., 99., 147.3 147. 15.12 15.24 CNT 5*, 88
	Croditanstair 5*, 51, 370, 97., 99., 147.3 147. 15.12 15.24 CNT 5*, 88
	Croditanstair 5*, 51, 370, 97., 99., 147.3 147. 15.12 15.24 CNT 5*, 88
	Croditanstair 5*, 51, 370, 97., 99., 147.3 147. 15.12 15.24 CNT 5*, 88
	Croditanstair 5*, 51. 3804, 974, 984, 1473, 147, 15.12 15.24 CNT 5*, 88
	Creditanstair 5*, 51. 3804, 974, 984, 1473, 147, 15.12 15.24 CNT 5*, 88
	Creditanstair 5*, 51. 3804, 974, 984, 1473, 147, 15.12 15.24 CNT 5*, 88
	Croditanstair 5*, 51. 380. 397. 398. 1473 147. 15.12 15.24 GZB. 57. 880

1	(nominal va	lue in Sm)	
ĺ			Euroclear
ł	U.B. \$ bonds		
۱	Previous week	794.a	1,785.B
1	Previous week	- 541.3	1,375.1
١	Other bonds		
l	Last week Previous week	254.8 290.5	308.4
1	LIBAIONE MARK	270.5	236.1
ł			
ı	• No informati	on availa	ıble—
1	previous d	ay's pric	e.
١	† Only one m	arket ma	ikar
ı	supplied	e price.	
ļ	STRAIGHT BO	NDS: T	he vield
١	 is the yield to re 	demption	n of the
ı	mid-price; the ar	mount is	suad is
ł	in millions of cu	rency u	nits ex-
I	cept for Yen bo in billions. Cha	nus whe	re It is
I	Change over price	e a week	earlier
ı	FLOATING 1		
İ	Denominated in	dollars	NOTES:
I	otherwise indic	ated.	Couper
1	sbown is minimu	m. C.dt	e=Date
ŀ	next coupon bac Spread=Margin	comes e	ffective.
ſ	Spread=Margin	above si	r-month
l	onered rate	(I three	-month:
ł	offered rate § abova mean dollars. C.cpn	Tale) II	eurrent
1	dollars. C.cpn coupoo. C.yld=T	ha curre	at vield.
t	CONVERTIBLE	E BONT	S. De
Į	nominated in	dollars	unless :
ľ	otherwise indicat Change on day.	ed Ch	g. day=
ł	Change on day.	Cov. date	First
ı	date for conversi Cnv. price = Nomi bond per shere	100 100	spares.
ı	bond per shere	expres	sed in
Ì.	currency of shar rate fixed at issu centage premium effective price shares via the	e at con	version
ľ	rate fixed at issu	ie. Prei	n=Per-
ŀ	centage premium	of the	current
ı	shares win the	of ac	quiring
1	most recent price	of the	shares.
l	The list shows		
l	international bor	ads for	which
١	international bon an adequate sec exists. The price	ondary	market
l	exists. The price	s over t	ha past
ŀ	week were supp Company for Tra	lied by	: Arab
۱	SAK: Kradiather	iwing se	Credit
ĺ	SAK; Krediethar Commercial de	France:	Credit
ŀ	Lyonnais; Com	nerzbank	AG:
	Deutsche Bank AG	Westd	eutsche 1
ĺ	Landesbank Giroz	entrale;	Randaa
ı	Infernationale La	T.HYCT	DUIE:
	Infernationale Li Kredietbaok Algemene Bank	Nederlar	d NV
	Pierson, Heldring	g and F	ierson:
١	`Credit Suisse/Swi	ss Credi	t Bank: I
	Union Bank of Akroyd and Smi	Switz	erlend;
ı	AKTOYO ADO SILI	mers; t	sankers

Akroyd and Smithers; Bankers Trust International; Bondtrade; Banqua Française de Credit Inter-national; Citicorp International Bank; Daiwa Europe NV; Delter Trading Company; Dillon, Read First Chicago: Goldman Sachs International Corporation; Ham-bros Bank; IBJ International: Kidder Peabody International: Merrill Lynch; Morgan Stanley International; Nesbitt Thomaon; Salomon Brothers International Sampel Montagu and Co.: Scandinavian Bank; Strauss Turnbull and Co.; Sumitomo Finance International; S. G. Warburg and Co.: Wood Gundy. Closing prices on Janua.

All these Notes have been sold. This announcement appears as a matter of record only.



150,000,000 French Francs 11% Notes due 1984

Unconditionally guaranteed by The Republic of France

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Lloyds Bank International Limited • Salomon Brothers International

Société Générale

Banque de Paris et des Pays-Box + Banque de l'Indochine et de Suez

Alchii Bank of Enwait (E.S.C.) • Algemene Bank Nederland N.V. • American Express Bank Interactional Group • A.E. Ames & Co. Limited Amsterdam-Rotisedam Bank N.V. • Arab Bank Investment Company Limited • Banca Commerciate Indiana • Banca del Gottardo Banco Ambroslano • Bank of America International Limited • Bank Julius Banc International Limited • Bank Max Fischer ECV Bank für Gemeinwirtschaft Aktiengeseilschaft • Bank Gutswiller, Kurz, Bungener (Overseas) Limited • Bank of Helsinki Lid.

Bank Mees & Hope NV • The Bank of Takyo (Holland) N.V. • Bankers Trust International Limited

Banque Arabe et Internationale affirestissement (B.A.II.) • Banque du Benetur S.A. • Banque Européenhe de Takyo
Banque Françoise du Commerce Extérieur • Banque Prançoise de Crédit International Limited • Banque Générale du Lumembourg S.A.

Banque Hervet • Banque Internationale à Luxembourg S.A. • Banque Ippa S.A. • Banque Louis-Dreyins

Banque de Neuflize, Schlumberger, Mailet • Banque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg

Banque Populaire Suissa S.A. Inventerence — Renque de Paris et des Pays-Bas pour le Grand-Duché de Luxembourg Bunque Popularie Suisse S.A. Luxembourg + Bunque Privée de Géstion Financière B.P.G.F. + Bunque Bothschild

Bunque de la Société Pinancière Européenne - SFE Group + Bunque de l'Union Européenne + Bunque Vernes et Commerciale de Ruis

Bunque Wouns - Bunclays Bunk International Limited + Bunclays Kol & Co. N.V. + Buring Brothers & Co. Limited

yerische Landesbunk Girozenirale + Buyerische Vereinsbunk International S.A. + Bergen Bunk + Berliner Handels- und Frankfurter Bunk

Cuisse Centrale des Runques Populaires + Centrale Rubobank + Chase Manhattun Limited + Chemical Bunk international Group Christiania Bank og Fredificusse + CBC Limited - Citicorp International Group + Compagnie Antiliarire de Gérance Financière S.A.
pagnie Financière - Compagnie Manégusque de Banque + Continental Illinois Limited - Copenhagen Handelsbank + County Bank Limited
Crédit Agricole + Crédit Chimique + Crédit Commercial de France (Suisse) S.A. + Crédit Industriel d'Alsace et de Lorance
Crédit Industriel et Commercial + Crédit Lyonnais Finanz A.G. + Crédit and + Credit Suisse First Boston Limited Creditorsinit-Bunkverein + Dai-Ichi Euroge Bunk Nederland NV + Bichard Dans & Co. Bonkier + Den Danske Bunk at 1871 Aktiesekkob

Den norske Creditionsk + Dewary & Associes International S.A. + DG BANK Deutsche Genossenschaftsbank

Dillon, Read Overseas Corporation + Dreedner Bank Aktiengesellschaft + Drenel Bunham Lambert Incorporated

Effectenbunk-Worburg Aktiengesellschaft + Finacot + Robert Fleming & Co. Limited + Fuji International Finance Limited

Effectenbunk-Worburg Aktiengesellschaft + Finacot + Robert Fleming & Co. Limited + Fuji International Finance Limited

Enschaftliche Zentralbemk AG Vienna + Andony Gibbs Holdings Lid. + Girosentrale und Bank der österreichischen Spankrassen Aktiengesellschaft

Goldman Sachs International Corp. + Hamburs Bank Limited + Hessische Landesbank - Girosentrale - Hill Samuel & Co. Limited

Industriebenk von Japan (Deutschkund) Aktiengesellschaft + Inter-Alpha Asia + Eansallis-Osake-Funkti

Elider, Peabody International Limited + Kleinwart, Benson Limited + Excitetbank N.V. + Kuhn Loeb Lehman Brothers International

Enswit Foreign Stating Contracting & Investment Co. (S.A.E.) + Eustral International Investment Co. s.c.k.

INCR Asia Limited + Manufacturers Hanover Limited + Langua Erders et Cle + Loeb Eboades, Sheurson International Limited

Merrill Lynch International & Co. + Mitsubishi Bank (Europe) S.A. + Mitsui Finance Europe Limited + Samuel Mantagu & Co. Limited

forgan Grentell & Co. Limited + Manyan Girosenty Lid. + The National Commercial Bank (Saudi Archiva) + Nederlandse Cocidebbank NV + Neshiti, Thomson Limited + The Mikro Securities Co., (Emope) Lid. + Nippon European Bank S.A.

Norman Europe NV + Norddeutsche Landesbank Girosenthische - Montic Bank Limited + Odon Bank Limited

Österreichische Länderbank Aktiengesellschaft + Privatbanken Aktiengesellschaft + Petratigan

Person, Heidring & Pierson NV + Norddeutsche Landesbank Girosenthische Volksbanken Aktiengesellschaft + Petratigan ti-Bankverein + Dai-Ichi Kangyo Bank Nederland N.V. + Richard Dans & Co. Bankiers + Den Danske Bank af 1871 Aktieselskab ekking & Pierson N.V. + Postiponkki + Privofbonken Aktiesekkob + Rothschild Bonk AG + N.M. Rothschild & Sons Limited The Royal Bank of Canadar (London) Limited • Sanwa Bank (Underwriters) Limited • Sanutinavian Bank Limited • Schooller & Co.

Schooler, Münchmeyer, Hengst & Co. • J. Henry Schooler Wagy & Co. Limited • Skandinaviska Enskilda Banken abuny Oyens & van Eeghen N.V. + Smith Barney, Harris Upharn & Co, incorporated + Société Bancaire Banclays (Suisse) S.A. Société Centrale de Banque + Société Générale Alsacienne de Banque + Société Générale de Banque S.A. + Société Séquanaise de Banque S. + Société Séquanaise de Banque S. + Société Séquanaise de Banque S. - Socié Vereins und Westbank Aktiengeselkehaft + S.G. Warburg & Co. Lint. • Westbertsche Landesbank Girozentrale Williams, Glyn & Co. • Dean Willer Reynolds International • Wood Gundy Limited • Yangichi International (Europe) Limited

WORLD STOCK MARKETS

Companies and Markets HOLLAND CANADA **NEW YORK** Hi2h High Low Mesa Petroleum Gt. Atl. Pac. Tea Gt. Basins Pet. Gt. Hithn. Nekoose Gt. West Financi'l Greyheund Orumman... Guif & Western... Schlitz Brew. J., Schlumberger... SCM Scott-Foreman Columbia 8as....
Columbia Pict...
Com. Ins. Am
Combustn. Eng...
Combustn. Equip
Combustn. Eduip
Comm. Satellis...
Compugraphie... 321:2 251:2 743:8 65:8 89:4 13:8 24:8 45:1:2 54:8 15:4 15:4 15:4 49:4 49:4 49:4 Abitibi. 212
Agnico Esgle 15-2
Alcan Aluma. 6613
Algoma Steel 3554
Asbestos. 3634
Ek Montresi. 2638 AMF

IAM Inti

ARA

ASSA

Abbotts Labs

Acme Cleve

Aciebe Oil & Gas

Avine Life & Gas

Ahmanson (H.F.) 580 586 500 1,190 574 594 383 419 505 1,680 405 1,210 9,190 2,190 680 813 Sea Contry Seabrd Coast L. Seagram Sealed Power Searle (G D) Sears Roebuek Seatrain Las. idern Merchg-hasco 2114 3234 3634 3201s 281s 243s 445s 445s 451 451 451 453 453 453 453 453 453 453 453 68.5 Euro Com Tst..... 600 Heiver in East.

250 Hitschi
550 Hitschi Kokl.

455 Henda
779 House Food
690 Hoya
615 Its Ham
1,210 No Yokado
400 JACOS Conti Group..... 789 1,080 930 930 1,830 3,020 1,180 384 746 494 1,350 401 787 648 361 1,280 528 4,230 528 773 Nat. Steel National N 6612 1736 8073 7512 3018 57684 355 493 7714 3018 493 493 493 4474 4474 51 214 Cons Bathst A. 1614
1814 Cons Bathst A. 1614
1814 Consumers Gas. 971a
654 Coeste Res. 1454
655 Costaie 754
10 Daon Devel 1414
2014 Denison Mines. 591a
24 Doma Mess. 671a
24 Doma Petroleum 601a 595e 691e 607e 2412 Humana 4656
11 Hunt i Phillip A) 1176
3736 Husky Oil 6556
1814 Hurt i Phillip A) 1176
1814 Hurt i Phillip A) 1176
1814 Hurt of EF 2614
11 Huyck 1436
2536 INA Corp 6114
1018 1U Inti 1218
1912 Ideal Basie Ind 2418
456 Ideal Toy 514
654 ICI ADR 858
1856 Imp. Corp. Amer 1218
1818 INCO 2816
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2234 Intel 8936 909 Makita.... 266 Marubeni ... 600 Marudai ITALY Sterling Drug.... Stevens (JP)...... Stokely Van K.... 681 Martii 683 Mataushitz 490 M'ta Elec Works 514 M'bishi Benk 400 M'bishi Corp 171 M'bishi Elec Detroit Edison ... Diamend Intl..... Diamond 2hamk Ogden Oglivy & Math.... Dhio Edison Super Val. Stra... 21,300 235 181.0 1.750 1.916 705 686 381 1924 40 3034 2234 2312 34 1278 1814 Int. F.avours
3312 Int. Harvester
17 Int. Multifoods.
186 Int. Paper
1012 Int. Rectifier
1776 Iowe Baer
2812 Irving Bank.
1912 James (FS)
29 Jeffn-Pilot
90 Jewel Cos
2836 Jim Walter
24 Johnson Contr. 2436 454 2256 474 Teledyne..... 2,250 801 144 252 NORWAY Texas Eastern.... Texas Gas Trn.... Texas Instrute... Texas Oil & Gas... ... Price 350 Nisshin Flour...... 118 Nisshin Steel Baker Int.
Bait Gas & El.
Bancal Trist.
Banger Punta
Bank America
Bank of NY
Bankers Tst. HY.
Barry Wright.
Bausch & Lomb.
Baxt Tray Lab.
Bakt Tray Lab.
Beckman Instr.
Beech Aircraft.
Beech Aircraft. 15 Easco

31g Eastern Airlines

1324 Eastern Gas & F.

451g Eastern Gas & F.

451g Eastern Kodak

231g Each Mfg ...

2324 Eckerd Jack ...

21g Elect Memeries

131g Elect Memeries

131g Emery Air Fgt ...

2254 Emery Air Fgt ...

2254 Empart ...

2254 Empart ...

2354 Engelhard MC ... Textron
Thomas Betts
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Tiger Inti 681 Renown 609 Richeh 282 Sanyo Elec 226 Sapporo. 660 Sekisui Prefab 180 Nersk Hydro 87 Storebrand...... 2456 3979 2836 2276 235 SWEDEN Noreen Energy 5614 Nthn. Telecom 5218 Humac Oil & Gas 4434 Oakwood Pst. 1538 Omni 8,80 Pacific Copper 5,10 Pan can Petrol 6518 Tipperary 285 4478 4154 4176 5778 1756 5812 5118 4118 5478 2918 758 2918 3656 High | Low 181 149 88 102 145 138 119 148 165 1,200 262 653 671 2,050 158 1,160 66 87.5 145 104 102 94 142 Ex Cell O 550 TB8 447 Tekie Marine 804 Tokyo Elect Pwr. 118 Tokyo Gas. 93 67 81 63 39 25 36 8834 2234 184 (Leaseway Trans.: 2578 Victor .: 2934 1456 2216 1919 638 2156 734 10 756 512 SWITZERLAND 1979-80 1.387 1.078:Aluşuisse 1.270
9.060, 1.656:8rown Boveri 1.775
1.875 1.140(Ciba-Gelgy 1.235
1.076 880 do (Part Certs) 970
2.340 8.176 Credit Sulsse 2.340
2.225 1.820 Floktrowatt 2.190
84.000|64.000 Horf-Roche-PtCts|65,500
2.400 6.375 Horf-Roche-PtCts|65,500
2.400 6.375 Horf-Roche-PtCts|65,500
1.576 1.340 Jelmoi 1.540
1.485 987 Landis & Gyr. 1.460
1.485 987 Landis & Gyr. 2.653 Reading Bates... Reading Bates... Redman Inde.... Recyce Bros... Reichhold Chem. 28 9158 Weston (Geo)..... 2512 SINGAPORE: 211g 247g 2514 198g 42 . 1979-80 Lubrizol..... Lucky Strs..... MCA 3.72 2.86 Boustead
2.90 2.05 Cold Storage
6.40 3.86 DBS
6.50 4.92 Praser & Neave
1.94 1.88 Haw Par
2.30 1.61 Incheape Bhd
8.50 6.85 Malay Banking
7.90 5.40 Malay Brew
7.80 6.82 QCBC
1.651 1.51 Pan Elect
3.78 2.95 Sime Darby
8.10 5.50 Straits Trdg
8.88 5.14 UOB 745g Relance Crp.

214 Republic Steel ...
205s Rep of Texas...

115g Resch Cottrell...

75g Resch Intl A...

175g Resch Intl A...

175g Revorts Intl A...

175g Revorts Intl A...

175g Revort Intl A...

175g Revort Intl A...

184u Revion...

184u Revion...

195g Republic IRII...

184u Reynolds IRII...

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184u Reynolds IRII FRANCE Jan 18 Price Fra. 1879-80 2.6801 2.565 Oer Buhrto 2.553 3005 250 Pirali 2.543 4.690: 3.680 Sandoz (8r) 4.240 272 450 Sandoz (Pt Cts) 520 240 Schindler (PtOts) 240 855 764 Swiss Bank 418 8,900 4.785 Swiss Roinson 6,000 2.095 1.815 Swiss Roinson 1,955 3,650 3,000 thion Bank 3,650 8,250 1,250 Winterthur 2,190 14,800 11,500 Zurich Ins. 15,700 145a 49 12 40 18 14 15 11 85 14 1a 13 12 2,085 714 Emprunt 4% 1975 8,080 7,315: 3,569 Emprunt 7% 1975 7,075 4,890 8,595 CNE 7% 5,845 425: 288.7A frique Occid. 489.6 1,383 445 Aquitaine 489.6 1,383 445 Aquitaine 98.9 SOUTH AFRICA 683 521;8IC..... 535 352 80 ygues 650 1,000 451.6 BSN Gorvals 925 2,010 1,504 Carrefour 1,568 535 351 Club Mediter 540,0 422 328,2 CGE 535 559 345 (CSF (Thomson) 539 1979-80 AUSTRALIA. High | Low Roper Corp*
Rowan
Royal Crown
Royal Dutch
Rubbermaid.
Russell Stvr.
Ryan Homes
Ryder System
SP8 Technolog
Safeco.
Safeway Stores
St. Joa Minis
St. Louis-San F.
St. Paul Coe
St. Raul Coe
Santa Fe Inds
Santa Fe Inds
Santa Fe Inds
Santa Fe Inds
Santa Invest
Saul Invest
Saul Invest
Saxon Inds
Schering Pio 1879-80 Price High Low Jan. 18 Aust \$ 3.00 | 1834 | Mayer | Oscar| | 211g | 927s | Mayting | 243s | 414 | McCulloch Cil | 135s | 157s | McDermott (Jf0) | 2814 | 40 | McDermott (Jf0) | 2814 | 423s | 20 | McDermell Doug | 20 | McDermell Doug | 20 | McGraw Edisen | 29 | 35ss | McGraw Hill | 29 | 105s | Medan Truckg | 141s | 23 | Medan Truckg | 141s | 23 | Medio Denl | 271z | 351s | Memorex | 38 | 26 | Merillo Hatt | 38 | 381s | Mercantile Stre | 395s | 381s | Mercantile Stre | 395s | 381s | Mercantile Stre | 341z | 163s | Mercalth | 341z | 163s | Merrill Lynah | 223s | 3254 324 327754 3154 3556 3518 3518 3518 3618 3614 3612 3614 3612 3614 3612 3614 3612 3614 3612 3614 3612 3614 284 1354 2814 4366 4364 5138 155 2271 2771 85178 6814 4031 7614 4034 : 4.30 11.70 27.60 56.50 70.23 4.40 6.05 1814 :Cincinnati Mil. ... 5512 2056 :Citicoro ... 2138 5318 :Citica Service ... 85 14 :City Investg ... 1678 3554 :Clark Equipment 5814 1712 :Cieve Cliffs Iron. 5538 2534 3014 61 .07 De Beers 13.20 East Drie 27.76 F8 Geduid 85.90 Geld Fielde SA 335 249 Gen Occidental. 294
82.5 52 metal. 77.9
283.3 218.9 Lafarge. 245.5
805 612 Lorsal. 1.469
76.6 60.8 Machines Bull. 56.9
9,020 4.299 Matra 8,460
1,320 800 Michelin 8. 816
397 440 Moet Hennessy 608 51.00 10.70 Ktoof 50.25 5.50 3.05 Kedpank 6.35 13.60 6.90 Ck Bazpare 13.50 8.90 1.45 Protes Hidgs 8.70 5.90 3.25 Rembrendt 6.75 3.08 1.23 Rembrendt 2.75 6.50 2.10 Rust Plat 6.35 6.50 2.10 Rust Plat 2.87 8.95 1.20 SA Brews 2.87 5.46 3.55 SAPP 5.40 11.25 5.00 Smith CB Sugar 10.80 1.86 1.73 Sores 1.76 14.50 9.90 Tigor Oats 1.440 8.00 1.13 Unisec 1.90 13,50 0.26 8.38 2.06 1.33 2.49 5.00 2.70 2.75 5.83 2.20 Indices AUSTRIA 1979-80 Jan. Jan. Jan. Jan. 18 17 18 - 15 1879-80 High ; Low NEW YORK-DOW JONES High Law Financial Rand US\$LIGH 1979-80 | Since Complite AUSTRALIA Sydney Ail Ord. (1956/55) Metals & Minis (1956/55) (Discount of 10%) 344 336 Creditanstalt..... 343 250 Landerbank 294 262 Perimoser 111 65 Semperit..... 240 200 Steyr Daimler 359, 241 Veitscher Mog... Jan. Jan. Jan. Jan. Jen. High Low High Low 335 267 278 109 235 359 BRAZIL 2,35 0,97 8,92 0,46 1,05 4,05 3,10 1,12 9,70 1,00 2,30 1,85 5,60 1,00 2,4 1979-60 Jan. 18 • Industr'is 887,15 863,57 869,16 268,68 983,57 858,58 957.01 798,67 1061,76 21,22 (61101 77,111 111/75) (2)7321 75.00 76.35 7 e Industr'is 887, 15 865,57 869, 18 268,68 965,57 856,58 957,81 1.58 0.78 Acesita.
2.93 1.26 Banco Brazil
1.59 1.24 Banco Itau
2.80 0.85 Balgo Min
3.40 1.40 Lojas Amer
8.56 1.21 Petrobras PP
1.91 1.04 Pirelli.
5.80 1.67 Souza Cruz
6.40 3.70 Ump PE
5.70 1.03 Vale Rio Doce. BELGIUM Beiglan SE (81112/85) 102.24 195.95 182.49 102.24 108.47 (5115) 88.88 /5/1:79) BELGIUM/LUXEMBOURG DENMARK openhagen SE (1/1/73) 83.51 M.70 88.79 85.73 87.46 (25/7) 83.70 : 17:1:80: GERMANY FRANCE CAC General (25/12/61) - 105.9 106.5 186.1 118.1 /5[10] Ind Tendance (26/12/76] 109.70; 100.8 101.5 |91.9 | 101.9 (16/180) Jan. 18 # 1,980 ARBED.

2,750 1,980 ARBED.

5,750 4,900,8ang Ind a Lux.

2,570 1,985 Bakkart 8.....

1,260 960'Ciment C&R....

360 305'Cockerill.

2,495 2,075,28ES....

6,940 3,950 Electrobel...

4,100 3,050 Fabrique Nat...

2,780 9,870'GB-Inno...

1,840 1,492'OBL 18rux L...

1,450 880'Gevaert

3,105 2,415 Haboken...

2,015 1,605 Intercom...

7,300 5,530'Kredietbank...

7,300 5,590 Kredietbank... **•Day's high 873,21 tow 855,29** 1979-80 Price Dm. 2,420 5,400 Jan. 11 Jan. 4 Dec. 28 Year ago lopprox FAZ Aktien (\$1119/58) 816.72: 220.56 221.74 222.9 255.80 (18/1/75) 218.72 | 18/1/80 | Commerzbank(Dec.1855 690.50; 695.6 700.5 791.5 | 888.60 (18/1/75) 596.5 | 18/1/80 85.0 460 133.3 0.11|Metramar Min, 0.24
0.12|Monareh Pet. 0.70
1.45|Myar Emp. 1.63
2.25|Nat Bank 2.96
2.40|News 2.96
2.40|News 1.07
1.32|North Skn Hill 3.16
1.27|Oakbridge 3.80
0.83|Otter Expl 1.00
0.88|Pancon 8.80
0.08|Pan Paoific 0.18
1.30|Pioneer Conc 2.22
0.40|Gueen Marg't G. 0.60
2.35|Reckit & Coln 2.42
7.30|Sentos 8.10 Ind. div. yleid % TEL AVIV 6,30 2.03 8.03 5.80 HOLLAND ANP-CBS General (1976) 82.0: 82.7: 85.7: 83.8: 84.2 (24/1/79) ANP-CBS Indust. (1970) 95.80: 86.8: 87.1: 97.8: 85.9 (24/1/79) Comeany STANDARD AND POORS Bank, Insurance and Fin Bank Laumi le Israel... 1979-80 Since Cmpli't's Jan. Jan. Jan. Jan. Jan. Jan. High Low High Low 1,670 954 3,050 1,640 6,320 3,350 5,660 3,200 98nk Laumi le Israel ... 555
108 Bankheiding ... 723
8nnk Happalim 8r. 723
Union 2k of Israel 8r. 522
United Mirrahi 8k. 408
Haseneh Inaurance 8k. 324
Gen. Mertgage 8k. 8r. 458
Tehahot' Israel Mert. 350
Land Development ... 350
Land Development ... 540
15 10 ... 540 HONG KONG no Bank(\$1(7,64) 854.87; 890.94 842.40 855.66 889.18 (2/1.98) 458 88 12/1/79 2indust'is... 125,54 124,55 184,68 194,81 195,92 125,54 125,04 197,06 754,64 5,59 (1911,06) 111,67 170,76 111,05 111,14 110,58 199,92 111,96 127,92 111,175, 125,06 4,40 (1510) (27,21 1111,175) 1149,521 TALY 69.38 (2:1(75) i Jon. 15 | Jan. 9 129.0 0.23 Sight Rt.G.
0.22 Southland Ming.,
0.26 Spargos Expl
1.20 Those Nationwide
1.40 Tocheys.
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0.18 Syslant Conset.
0.19 Syslant Conset.
1.73 Western Mining.
1.73 Western Mining.
2.56 Wormald Anti...
2.56 Wormald Anti... 5.38 : 5.11 5.92 4.97 Ind. dlv. yield % NDRWAY Oslo 2E (1/1/72) 7,85 7.78 7.54 ind. P/E Ratio 9,01 74 1.24; 148.83 148.55 138.87 142.22 (14/12) 74.46 | 16/1; Long Gov. Bond Yield 10.39 10.27 10,15 8,97 SINGAPORE 2traits Times | 1866) Rises and Falls 446.54 452.44 455.46 447.79 455.38 | 18 | 1/801 548.84 | 25/21 N.Y.S.E. ALL COMMON 118.6/Roechst. 118.5 33.1 Hoesch 54.1 325: Roizmann (PL 527.0 118.5 Horten 118.5 136 Kajiund Salz 147.0 287.5 Kerstadt 297.8 Jan. 18 Jan. 17 Jan. 16 SOUTH AFRICA 1979-80 Jan. Jan. Jan. Jan. High Low DENMARK hdustrial (1968) 155 126 Kallund Saiz. 147.0

342 287.5 Kerstadt. 287.8

254 169 Kaufnof. 169.0

918.3 197 KND. 199

98 81.5 Kleeckner 61.6

105 62 Krupp. 63

320 255 Linde. 293.5

102 73.5 Lurthanez 73.6

291 162 MAN 184

175 118.5 Mannesmano. 118.5

281 215 Mercades Hig. 126

281 215 Mercades Hig. 239.0 63,94 63,80 63,95 63,96 63,86 | 52,88 (15|1|89) | |27/5) HONG KONG SPAIN Madrid 2E (28,12,78) 1979-80 Jan. 18 High | Low 1 152.22 181.85 99.74 89.51 102.22 118/1/85) 98.81 (15:1/80\ 1979-80 Ján. 18 Price High Low H.K. 3 168.76/132.25 Andelsbanken. 126 397' 287.5 Bathica Skand. 267.5 181: 72:Burm & Wain. 74.5 129.6 117(CopHandelsbank'118,78 243 302:D. Sukkerfab. 903.00 150, 117(Danske Bank. 119,00 149: 118.5 East Asiatic. 137.75 166.25: 132.8 Finanabanken. 156.50 324.5 943 Forenede Bryge, 243 SWEDEN Jacobson & P. (III/68) 1979-80 561.57 (24/8) 568.06 554,72 557.17 557.55 401.64 16/21 High Low H

21.30 6.80 Cheung Kong 2.85 LAT Cosmo Prop. 1.92 8.85 Cross Harbour 7.10 4.10 Easth Asia Nav. 7.10 4.10 Easth Asia Nav. 7.10 4.50 Rk Electric 8.40 4.50 Rk Electric 8.60 4.50 Rk Electric 8.60 19.50 11.60 lk Shanghai El. 19.50 11.60 lk Shanghai El. 19.50 10.60 Jardina Math 9.65 3.92 Hutobison Wps 12.40 10.60 Jardina Math 5.83 161 New World Dev. 6.50 2.770 seas Trust Ek. 19.70 6.30 SHK Props 8.70 7.35 SWire Pac A. 4.47 2.50 Wheal k Mard A. MONTREAL Jan. Jan. Jan. Jan. 18 17 16 15 High : Law Swiss Bank Cp. (61/12/68 687.89 506.7 600.6 509.9 254,90 (3:1/79) Industrial 550,27; 550,84; 548,98; 547,47; 550,27; [87]100; 818,19; (87)] Combined 528,63; 550,22; 527,87; 526,60; 539,22; (17;1;80); 225,88; (271) Fuel and Oil
Delek
Seurce: Bank Leumi le lignel Bish
Tel Aviv. † 2id. \$ Buy only. WORLD WORLD Capital Intl. (1/1/78) - 155,1 135,2 136,5 ; 155,4 (5/10) 281 218 Mataligessell 259.0 655 526 Muench Ruck 590 177.5 145 Preussag 167.2 189 162 Rhein West Elect 184.6 323 240 Rosenthal 240 263 185.0 Scheffing 185.8 289 255.6 Scheffing 966.1 120 77.5 Thysen 79.5 189.8 158 Varta 158.6 168.9 150 Vebs 142.5 292 272 Verein-West 272 255 170 Volkswager 170.0 TORONTO Composite | 1969,7: 1968,1 | 1848,8 | 1844,5 | 1988,1 | 117/1/88) | 1815.5 (2/1) 324.5| 943/Forenede Bryss. 243 976| 158/Forenede Barnek 172.25| 192/GNT Hidg. 182.75 194.5| 153.5 Nord Kabel 184.76 287.6 189.75 Novo Ind. 210.50 180.5| 75/Papirfabrikker 10 144| 185.5 Privatbankan 189.25 145.75| 129/Provinsbankan 189.25 350.95| 280/9midth (FL) 283.75 432.6| 502/S. Berendsen 315.0 195, 114.5 Superfor 115.0 **NEW YORK ACTIVE STOCKS** 2ase values et all indices ere 100 except NYSE All Commen-50; Standard Change Change Stocks Cleging en traded pince day 489,800 21½ + 1½ 408,000 24½ + 1½ 387,400 24½ + 1½ 383,900 27 -17, 383,800 247, on
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BUSINESSMAN'S DIARY

ry 21 1980 '

UK TRADE FAIRS AND EXHIBITIONS

Date .	Title	Venue
Jan 28-30	HOTELYMPIA International Hotel and Catering Exhibition (021-705 6707)	
1317. 20	British Loy and Hobby Pair (UI-701 7127)	Olympia Earls Court
Rett. 3	International Spring Fair (Consumer Goods)	Wembley Conference Centre NEC, Birmingham
Feb. 4—7	INFEX-International Floorcoverings Exhibition	
Feb∠ 6—8	(01-499 7324) INFEX—International Floorcoverings Exhibition (01-226 0913) Interflow '80—Finid Handling Exhibition' (01-680	Hotel Metropole, Brighton
	7525)	Harrogate
Feb. 8—9	Gruff's Dog Show (01.493 7898)	Earls Court
Feb. 12-15	INFO 80-International Business Computing, Word	
. 15 atv 11 (2)	Processing and Information Management Exhibition (01-647 1001)	
Web: 17-21	International Men's and Boys' Wear Exhibition—	Cunard International, London
		Olympia : .
Fed. 18—21	European Information Management Exhibition and	
Tab: 25—29	Conference (01-995 4806) International Electrical Exhibition (0483 222888)	Wembley Conference Centre NEC. Birmingham
Feb. 25—28	Internetional Instruments, Electronics, and Automation Exhibition (021-705 6707)	
95.10 95	International Precupatics & Hydranlies Exhibition,	NEC, Birmingham
	including Compressors and Power Transmis-	
		NEC, Birmingham
Feb. 26—28	Drawing Office Show—DOMMDA (01-242 9821)	Wemhley Conference Centre
reo. 28 mar. 9	-Camping, Outdoor Holiday Exhibition and Motor	. and obtained could
・ おきます。 → ★もできる。	Caravan Show (01-282 2886)	Olympla .
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EXHIBITIONS

) V EKSE/	AS TRADE FAIRS AND	EXHI
urrent	International Boat Show (01-409 0956) (until	
urrent	Jan. 27)	Dusseldorf
Masm	International Commercial Motor Show (until Jan. 25)	
arrent	Middle East Construction Exhibition (01-215 7877)	Geneva
2.1	(until Jan. 26)	Jeddah .
an 22—26	International Exhibition for Agricultural Mechani-	
	sation—AGROMEK	Herning
m. 23—ren. 3	International Green Week (01-540 1101)	Berlin
eb. 1-4	Canada Farm Show Internetional Stationery Show—SIPPA (01-439)	Toronto
		Paris
eb. 1—10	International Boat Show	Vancouver
eb. 2-5	International Textile and Fabrics Trade Fair-	142004104
	INTEREX	Sydney
eb. 48	International Jewellery, Gold and Silver Exhibition	
eb. 7—11	-Jewelmex (01-580 5816)	Bahrain
eb. 9-15	Men's Fashion Show—PITTI UOMO	Florence
	International Games and Toys Exhibition (01-439	Deals .
eb. 11-14	Israeli Fashion Week (01-937 8050)	Paris Tel Aviv
eb. 11—15	Environmental Poliution Control Techniques Ex-	Tel WAIA
	hibition—ENVITEC (01-409 0956)	Dusseldorf
	International Paris Boet Show (01-439 3964)	Paris
eb. 17—21	Middle East Machinery, Light Industry and Plant	
eb. 19—22	Maintenance Show (021-454 4416) Techex 80 World Fair for Technology Exchange	Bahrain
eb. 22-24	International Men's Fashion Week (01-409 0958)	Atlanta, U.S.
eb. 26—29	World Fair of Technology Exchange-TECHEX	COTORTIA
_	(01-584 5749)	Copenhagen
eb. 26—29	Offshore South East Asia Exhibition (01-486 1951)	Singepore
ar. 2-9	International Agricultural Exhibition (01-439 3964)	Paris .
ar. 16—20	Middle East Business Equipment Show (01-486 1961)	Dahau!u
J. S.	1901)	Bahrain
KUSINES	S AND MANAGEMENT C	ONEE
п. 21—22	FT Conference: The 1980 Euromarkets Conference	

ERENCES Inter-Continental Hotel, WI

Londoo Press Centre, EC4

Vienne Lythe Hill Hotel, Haslemere

Piccadilly Hotel, W1 Royal Garden Hotel, W8 Europa Hotel, W1

Grosvenor House Hotel, W1

ROSTNES	S AND MANAGEMENT C
Jan. 21—22	FT Conference: The 1980 Euromarkets Conference (01-236 4382)
Jan. 23	IPS: Purchasing Computers for the Small and First Time Users (0990 23711)
Jan. 23	CCC: Retention of Title—Resolving Conflicts Between Manufacturers, Lenders and Sup-
Jan. 24—25	pliers (01-222 6362) World Policy Forum: International Forum on the
Jan 21-20	Future of Gas as World Energy Resource (0444 51507)
Jan. 29—31	CCC: Practical Guide to Standard Form of Building Contract (01-222 6362)
Jan. 30—Feb. I .	AMR: Finance and Accounting for the Non- Financial Executive (01-262 2732)
Feb. 7	Oyez-IBC: Children in Tax Planning (01-242 3481) ASM: The legal implications of engineering con-
	tracts (01-385 1992) Admap: Classifying People (01-379 6576)
Feb. 8	CCC: Absenteeism—Developing Company Policy Within the Law (01-222 6362)
Feb. 11—12	AMR. International: Positive Discipline (01-262
Feb. 13—14	RRG Conferences: Captive Insurance Companies— Establishment, Operation, Management (01-236 2175)
Feb. 13—19	AMR International: Energy Management in Build- ings (01-262 2732)

London

London Press Centre, EC4 Holiday Inn, NW3

Portman Hotel, WI Cumberland Hotel, WI

Financial Times Conferences

British Business Opportunities Overseas — London — February 26 & 27, 1980 Lord Trenchard, MC, Minister of State for Industry, will speak on "The Industrial Framework for the Growth in British Trade" and Mr. Peter Oppenheimer, Tutor in Economics, Christ Church College, Oxford, has agreed to speak on "Opportunities to Emerge from a Low Growth Era."

European Conference on Monopolies, Mergers and Restrictive Practices Munich — February 28 & 29, 1980

The distinguished panel of speakers will include Professor Dr. Kurt Markert, Director, Bundeskartellamt, Berlin, and Mr. Gordon Borrie, Director General, Office of Fair Trading, U.K.

World Motor Industry Conference — Geneva — March 3 & 4, 1980

A very strong panel of speakers from the world's leading manufacturers will examine the problems facing the industry, the financial situation and the outlook for the future.

All enquiries should be addressed to: Financial Times Limited Conference Organisation

Bracken House 10 Cannon Street

Tel: 01-236 4382 Telex: 27347 FTCONF G Cables: FINCONF LONDON

WEEK'S FINANCIAL

The following is a record of the principal husiness and financial engagements during the mancial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available. Whether dividends concerned are interims or finals. The sub-division shown helow is the pared with the content of the sub-division shown helow is the sub-division shown held the sub-division based mainly on last year's time-

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SOARD MEETINGS

DIVIDEND & INTEREST PAYMENTS

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iENO & INTEREST PAYMENTS-ioft Orioks 2.412p il. 3 Ord 10 Mines Malaysia Berhad COMPANY METINGS— Tration Trading Chemring, 12.00
Chemring Williams (Feetenck), The Goldhorn Hetel, Fens Rd. Woherhampton, 12.00
Williams (John) of Cardiff, The Royal Hotel, St. Mary Stroet, Cardiff, 12.00
BOARO METINGS— Floating Glapfield Lawrence instrings.

Brown (John)
Halling
DIVIOENO & INTEREST PAYMENTS—
DIVIOENO & INTEREST PAYMENTS—
A CALLEURAL MORTGASSE 14-SPC Bds. Red. Agricultural mortuges. 25/1/80 734 Attwood Gerages 0.5125p 8PB look. 4p Bank of New South Wales Ord. & J Bitts Trust N.V. Core. 32.5cts
Bankars Trust N.V. Core. 32.5cts
Bankars Trust N.V. Core. 32.5cts
Benzel Carbonising 19
Carbonis Roadston, 75cM. 2.45pc
Debenhams Lm, 3-8, 3-bc
Dendes & London invest. Trust 2.4p
GEC 70cts
Hall (Matthews) 4 annual GEC 70cts
Hall (Matthew) 1.897g
Israel Electric Corp. 0.08p
Lister & Co. 1p
Manufacturers Hanover Corp. 63cts
NCR Corp. 40cts
Oil & Associated Invest. Trast 1.5225p
Ransel (Actander) 0.75p
Salmabury (1) 3p
Salmabury (1) 3p

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Units 80 TURDAY, JANUARY 25
OIVISEND & INTEREST PAYMENTS—
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Trespur, Ln. 7-apr 85-98 3 last
Trespur, Ln. 7-apr 85-98
OLYMORHES, 1840
OLYMORHOS INTEREST PAYMENTS—
Lamden Verlable Rate Red. 1983 57.1875 This announcement appearance matter of record only

Sick-pay methods under review

for reducing thet expenditure includes cutting back, or at least containing, some of these pay-

last month, was for the employer to take over responsibility for making sick-pay benefits to his employees during the first eight weeks of illness, instead of thes ick-pay benefits comin coming sick-pay through Social Security. Employers would heve their

Netional Insurance contributions correspondingly reduced. More than 90 per cent of sick pay claimants are back to work within six weeks The significant feature of these sickness payments is that they would be subject to

psyments which are tax-free. But the Government gave no other details concerning its Presumebly the scheme will be described in depth in the consultative document due to

be published in the spring. is achieved to This proposal will have employee off the certain implications for com- is not working. which have imple-Employee henefit consultants salaries partially or in full

SOCIAL Security payments are have been warning clients to a major item in the public delay any implementation and expenditure incurred in the to be ready to review such UK. So the Government's plans schemes that are in existence.

At present, employers bave three courses open to them when an employee falls sick.

The company can simply take the employee off the payroll while he or she is ill and put the employee heck on the payroll when discharged by the doctor. Under employment protection legislation, the employee has certain rights conployee has certain rights concerning heing re-engaged.
Under current henefit levels,

the tax-free sick payments, after the first three days of illness, are £18.50 per week for a single person, plus an edditional £11.45 per week for e dependent wife, and £1.70 per week for each child.
The employer does not pay

the employee during the sickness period, nor does he pay The high level of these pay-ments — and they are due to rise further in April—means they are effectively a payroll tax. A savings in lahour costs is achieved by beving the employee off the hooks when he

But many employers keep mented or are considering their employees on the payroll short-term sick-pay schemes during quite long periods of

This benevolent attitude, experience between companies often resulting from trede union or employee representation sure, involves the company in the continuing expense of peying NI contributions. And the employee may have e higher net pay since the Social Security sick payments are tax-

heen growing in popularity ovar recent years, is to take the employee off the payroll and make up his or her salary from a specially designed sickness insurance scheme.

in the insurance alement, as will more interest in these schemes NI contributions. Department of Health Social Security, after taking legal advice, accepted that the employee was not technically on the payroll. The scheme is constructed as

an ordinary permanent bealth insurance company scheme, so that by paying through a trust, the benefits are tax-free. The trustees, usually the employers, ness benefits, though invariably they are paid.

The employers handle all the edministration and the premium charged by the isurance company reflects the experience of that particular scheme.

hacked by the trade unions. The employee benefit consultants plaining the intricacles of the operation. The trade unions have heen showing considerable responsi-

against making

schemes in that they will not let members ebuse the conditions. in the melting pot, anyway, until the Government clarifles its

no sharing of the risk or spread-ing the load in the manner one

usually associates with insur-

care in fixing the level of benefit. The main objective is

to provide the employee with a high percentage of his take-

the saving on NI contributions.

The employer needs to take

proposals.
The questions outstanding are whether the insurance payments will escape paying NI contribu-Thus, there is no pooling of future of eick pey schemes.

January 1980

THE GOVERNMENT OF MALAYSIA



US\$200,000,000 Term Loan

DG BANK Deutsche Genossenschaftsbank

AMSTERDAM-ROTTERDAM BANK N.V.

CRÉDIT LYONNAIS

THE ROYAL BANK OF CANADA (LONDON)

BANK OF SCOTLAND

THE MITSUI BANK, LIMITED

ORION PACIFIC LIMITED

LANDESBANK RHEINLAND-PFALZ UND SAAR INTERNATIONAL S.A.

TORONTO DOMENION (HONG KONG)
Limited

ARAB-MALAYSIAN DEVILOPMENT BANK

LLOYDS BANK INTERNATIONAL LIMITED

Co-managed by

The Bank of Nova Scotia Asia First Chicago Asia Merchant Bank Limited

Canadian Imperial Bank of Commerce Malayan Banking Berhad

Provided by

Arnsterdam-Rotterdam Bank N.V. Singapore Branch Asien-Pazifik Merchant Finance Ltd. Bank of Scotland Credit Lyonnais Singapore Branch

Den norske Creditbank (Luxembourg) DG CAPITAL COMPANY LTD. Landesbank Rheinland-Pfalz und Saar International S.A. Luxembourg

Midland Bank Trust Corporation (Jersey) Limited Orion Pacific Limited Toronto Dominion (South East Asia) Limited

Arab-Malaysian Development Bank

Berhad The Bank of Nova Scotia Asia Limited Canadian Imperial Bank of Commerce **D&C Nomura Merchant Bankers** Berhad

Development and Commercial Bank (Ltd.) Berhad

The First National Bank of Chicago LBI Finance (Hongkong) Limited Malayan Banking Berhad The Mitsui Bank, Limited Brussels Branch The Royal Bank of Canada (Asia) Limited United Malayan Banking Corporation

DG BANK

November 1979

London EC4P 4BY

SOCIETÀ FINANZIARIA MECCANICA FINMECCANICA S.P.A.



US \$ 50,000,000 and US \$ 25,000,000 Term Credit Facilities

Managed by

Co-managed by

Funds provided by

DG BANK

Deutsche Genossenschaftsbank

Investitions- und Handels-Bank Aktiengesellschaft

DG BANK Deutsche Genossenschaftsbank

Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft

Genossenschaftliche Zentralbank AG, vema-Landesbank Rheinland-Pfalz Landesbank Rheinland-Pfalz - Girozentrale -

Investitions- und Handels-Bank Aktiengesellschaft

Landesbank Saar Girozentrale

Zentralsparkasse und Kommerzbank Wien

- Girozentrale -

November 1979

SIP-SOCIETÀ ITALIANA PER L'ESERCIZIO TELEFONICO P.A.



US \$ 50,000,000 Term Credit Facility

under the guaranty of

STET - Società Finanziaria Telefonica P.A.

managed and provided by

DG BANK Deutsche Genossenschaftsbank

Aktiengesellschaft

Bankof Tokyo (Deutschland) Bayerische Landesbank Citicorp International Group Girozentrale

Hessische Landesbank Girozentrale -

Landesbank Rheinland-Pfalz Girozentrale --

Agent



Caterpillar profits hit by strike

BY IAN HARGREAVES IN NEW YORK

world's largest manufacturer of resulted in an operating loss for its favour, gained \$1.7m on the earth moving equipment, saw its the period. final quarter earnings virtually of a prolonged strike in the U.S.

But for the year as 9 whole, a strong performance by the company's Japanese affiliate, Coterpillar Mitsubishi, and a reworking of its tax liabilities following the strike, limited the decline in profits. Earnings fell o reol reduction in the value of by 13.2 per cent to \$481.6m on overseas sales because of the

The strike by members of the United Autoworkers crippled a \$20m after-tax charge. production at Caterpillar's Illinois manufacturing locations

BY OUR NEW YORK STAFF

The 1979 net profit figure was

came out at 1.89m tons, com-

pared with 1.78m tons the

Dutch agriculturol industry and

troding group, HVA, over com-

America (Alcoa) lifted its net motor and

Net profit for the quarter was 26.4m, or 31 cents a sbare, compared with \$157.5m, or \$1.82 s ohare, in the same period last year. The quarter's sales were down by 31.6 per cent to \$1.32bn.

Caterpillar in 1979 were sharp increases in interest costs, and ssles up 5.4 per cent to \$7.6hn. Eornings a sbare for 1979 were \$5.69, against \$6.56 The compony estimates this as

positive fectors. The company 5 per cent decline.

THE ALUMINUM Company of common alloy products in the boom sector for aluminium for

income lest year by 61 per cent industries. This market was Aluminium demand for aero-to a record \$504.6m, or \$14.29 s especially weak in the finel spoce companies has also been

Alcoa has dealt with the

recession in the motor industry,

These talks ds not amount to

U.S. gold fears recede

market no longer fears a strong

push by the Carter adminis-tration to reduce the gold price

through an auction of several million ounces of the metal.

This was a major reason behind the rise of S671 in London on Wednesday and, apart from continued tension

over Afghanistan, was the only important oews to influence

Comments like this from the

January 17

U.S. sre obviously not intended to give gold a forther boost, but it shows the administration is

Record earnings for Alcoa

land and property.

The sharp rise in profitchility so reducing its involvement in

was ochieved io spite of weaken-ing demand for the company's fovour of expension in the

THE ETHIOPIAN Government with the Ethiopian Compensa-

pensation for the company's Fi 0.50 higher, at Fi 50 on the

interests nationalised in 1975. Amsterdam Stock Exchange on

An HVA representative has left Friday, after gaining FI 3.70

claims

HVA in Ethiopia talks

has restarted talks with the tion Commission.

for Addis Abaha for discussions on Thursdoy.

year on currency exchange, compared with a loss of \$10.9m in 1978, and there was a turnround at Caterpillar Mitsuhishi. Caterpillar took profits of \$30.1m from this latter activity, compared with a loss of \$0.9m in 1978. Over \$8m of the profit Other negative factors for was in exchange gains.

The company's efforts to maintain s tight relationship hetween supply and demand for its products resulted in demand for most of Caterpil-lar'o products being in excess of supply. By the end of the third quarter, sales were up 7 per cent in volume, but for the year There were, bowever, several as a whole the strike cansed a

Mr. W. H. Krome George,

the reduction of long-term debt

to less than 30 per cent of invested capital were part of an

To meet increased demand for

primary 2luminium, Alcoa restorted during 1979 five out of eight previously idle potlines,

but reduced hydroelectric power

in the Pacific Northwest forced

the company to close down about a quorter of 10 Washing-tion State potlines at the end

the dollar has heeo relatively steady despite the nervousness

In the foreign exchange market. It would sppear that any remain-

ng link between gold and the

dollar bas become very tennous.
During the last few weeks the
U.S. currency has remained
around DM 1.72 against the
Deutsche Mark, SwFr 1.59 against

the Swiss franc, and Y239 in terms of the Japanese yen. Central banks have intervened

OTHER MARKETS

150.10-151.05 1.827-1,840 11.14-11.23 0.17-9.23¹, 0.41-9.48 542-550

Jan. 18

Argantina Peso... Australio Iloliar... Brazil Gruzairo...

Central banks have intervened to assist the dollar during this builtion is a very dangerous time, but not on a particularly large scale, leaving the impression that the currency is able and the Eastern Block during the new decade, but builtion is a very dangerous market, vulnerable to beavy bouto of profit taking at the present levels.

0767-3707
2.0565-2.0565
99,34-100.54
8,41-8.42
a/a
11.09±11.11±
n/a
0.513-0.623
-63,85-63,95
4.9725-4.9840
2.5070-2.2599
7.06-7.69

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Rate given for Argentina is free rate. THE POUND SPOT AND FORWARD

2.2850-2.2860 2.6535-2.6545 4.333,-4.343, 53.85-63.95 12.30-12.31 1.0605-1.0615 3.933-3.943, 113.75-114.00

150.90-151.00 1,838¹₂-1,838¹₃ 11.21¹₂-11.22¹₃ 6.22-9.23 6.48¹₂-9.47¹₃ 546¹₂-5-67¹₂ 28.25-28.30 3.63¹₂-3.64¹₂

9.72-0.62c pm
1.10-1.00c pm
24-14c pm
20-10c pm
14-ore pm-4 din
0.02-0.12p dis
3*z-2*pf pm
10-60c dis
per-50c die
5*z-7*jim die
7-5ore pm
34-21*zom pm
5.15-4.85y pm
25-15pm pm
5.15-4.85y pm

Alcoa elso had a good year

outstanding" year.

of the year.

full production.

a concrete discussion of HVA's in Australia and in Scandi-

CURRENCIES, MONEY AND GOLD

U.S. OFFICIALS played down the importance of the rise io the price of gold last week, and in doing so gave fresh impetus

authorities at home or shroad. less concerned about the metal to look after itself at the moment. This may reflect the general lack Since the heginning of the year of trust in all paper money, gold has risen by about \$300 hut which has led to gold's sharp

construction canning.
is market was Aluminium demand for aero-

CATERPILLAR TRACTOR, the for most of the final quarter, and had a number of tax changes in Massey Ferguson caid that Nissan Motor Company of Japan had agreed to acquire its 37 per cent interest in Motor Iberica of Spain, Reuter writes from Toronto. The price was not dis-closed. Massey sequired the interest in 1966.

Motor Iberica will continue to make, under licence, and distri bute Massey Tractors, combines and other farm machinery and Perkins engines. A technical assistance agreement between Msssey and the Spanish company will also continue. Massey said that Motor Iberica would remain a major customer for various Massey Ferguson products it does not make in Spain. Such sales totalled \$11m

Skandia lifts earnings and dividend

By William Duliforce in Stockholm SKANDIA, the Swedish insurance company, bas announced share, in spite of a virtually quarter of last year, for which strong and is expected to hold earnings of SKr 510m (\$123m) flat level of demand for its Alcoa reported net income of up well during 1980 following in its preliminary report for \$135.1m., or \$3.82 s share, Precident Carter's decision to ogoinst \$100.3m in 1978. The increase defence spending. 1979. The dividend is to be raised by SKr 1.50 to SKr 8 a share, and a bonus distribution achieved on sales of \$4.79bn—fourth quarter profit figure was, an 18 per cent increase on 1978. Alumioium product shipments slim from the sale of company's 16.2 per cent return slimost \$11m from the sale of company's 16.2 per cent return product shipments. of SKr 1 a chare is to be made to mark the company's 125th on invested capital in 1979 and

anniversary. The operating profit SKr 20m less than was forecast in September, but is still ahead of the SKr 469m earned in 1978. The shortfall on the September forecast results from international operations, which hrought a forecast of SKr 60m and 1978

earnings of SKr 54m. Profits on domestic non-life insurance were the predicted SKr 200m, a decline of SKr 9m from 1978. The main boost to 1979 earnings came from capital management which turned in HVA's shares closed navia, although these improve-nigher, at F1 50 on the ments were partially offset by SKr 270m, against SKr 206m in the ·previous year.

Skandia's non-life premium the expenses of bringing Alcoa income rose by 12 per cent during 1979 to SKr 5.49hn. Great Britain's sheet mill into

rise, while gold alone is far too small a market to take over

from the dollar as the major unit of trade settlement.

to stop a continued advance in the gold price while world peace

remains so delicately balanced. Oil fields in the Middle East will

become increasingly important to members of the Western Alliance and the Eastern Block

£ Note Rates

28.05-28.30

9.19-9.26 8.931-3.08 1865-1880 546-851 4.00-4.561

P.e. months p.o.

3.52 1.78-1.68 pm 3.03
4.76 2.45-2.35 pm 3.62
6.22 61-51 pm 5.30
2.62 42-32 pm 5.30
2.62 42-32 pm 5.30
2.62 42-32 pm 5.50
10.28 87-77 pm 3.60
3.69 20 1.20 dis -2.46
-1.99 40-140 dis -2.38
-4.24 137-214 dis -4.12
3.42 137-214 dis -4.12
3.42 137-214 dis -4.12
3.42 137-214 dis -4.12
3.42 137-214 dis -5.08
6.85 53-84 pm 5.08
1.17 87-67 pm 2.17
10.97 12.20-11.85pm 0.79
2.49 58-48 pm 7.50
1.77 107-67 pm 11.49
1 finnc 65.95-88.00

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasized that the dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year."

Date	Announce- ment last year	Date	Announce- ment lest vest
*Alexand#m		Gu.nness	
DiscountJan. 21	Final 11.501	PeetFeb. 2	lot. 2.25
Anglo Amer.		Hardy	
Secs. ConFeb. 14	Sec. int. 23	(Furzishers)Feb. 2	Int. nll·
*Associated		*IC1Feb. 28	Final 8,466
DairiesJan. 30	Int. das	*Imperial GpFeb. 14	Final 4.070
*8AT lods,Jao. 30		*Inchcapedee. 24	Int. 6.5
*Bank Leomi .		*Lioyds BankFeb. 22	
(UK]Jan. 30	Finel 5.52		
Barclays Bk Feb. 22	Final 7.41	LonrisoJen. 31	
Bath and		MarchwielFeb. 18	
PortlandFeb. 22	Fiosi 2.014	*NatV/estFeb. 26	
Везитолі		NeepsendFeb. 23	Int. 0.921
PregsFeb. 13	Final 2.698	Nottingham	
Sirmid		ManufFeb. 13	
QualcastFeb. 14	Final 3.476	*Rank Urgjen. 24	Finel 4.89
Brown ScosFeb. 22	loz. 0.53	. SecuricorFeb. 14	Finel 1.74
*Srown (J.)Jen. 25	let. 7.0	· Sime Barby Feb. 12:	. Int. 11%.
Carrington		Sunley (B.) Feb. 12	Int. 1.654
ViyelleFeb. 21	Final 1.681	*Throgmorton	
City OfficesFeb. 22	Final 0.791	Trost. Jan. 30	Final 2.875
*Comm'l Sk.		*บกริงก	
AustFeb. 12	Int. 8.5 cents	DiscountJen. 23	Finel 11.282
Cono. PlantsFeb. 10		Utd. Real	
BolgatyFeb. 13	. Int. 8.04	PropFeb. 21	Int. 1.25
*Oavy CpnJan. 24		VantoseFeb. 20	Fieol 5.09
Dabenture		Wagon	
CpeFab. 8	Final 1.95	FinanceFeb. 16	Fia 81 1.678
*DowtyFeb. 8			
*Fitch LovellJan. 24		Board meeties intim	eted. † Rich
Gao. Con.		lasus since made. \$ Ta	
In., 7-4' Eab 42	E	inin	

Public Works Loan Board rates

alf-yearly annuity (fixed equal rincipal and interest). § With h	baif-yearly payments to includ alf-yearly payments of interest only
	ING RATES
Allied Irish Bank 17 % Amro Bank 17 %	B Guinness Mahon 17 % R Hambros Bank 17 % B Hill Samuel
American Express Bk. 17 % Henry Ansbacher 17 % A P Bank Ltd 17 %	C. Hoare & Co
Arbnthnot Latham 17 % Associates Cap. Corp 17 % Banco de Bilboo 17 %	LIOVOS HANK
Bank of Credit & Cance. 17 % Bank of Cyprus 17 % Bank of N.S.W 17 %	Edward Manson & Co. 18 % Midland Bank 17 % Samuel Montagu 17 % Morgan Grenfell 17 %
Banque Belge Ltd 17 %	National Westminster 17 %

la Tamise S.A. 171%, Barclays Bank 17 % Bremar Holdings Ltd. 18 % Brit. Bank of Mid. East 17 % Norwich General Trust 17 P. S. Refson & Co. ... Ryl. Bk. Canada (Ldn.) Schlesinger Limited ... 1 Security Trust Co. Ltd. 18 Charterhouse Japhet ... 17 % Trade Dev. Bank 17 Trustee Savings Bank 17 C. E. Coates 17 Consolidated Credits . . 17 Tweotieth Century Bk. 17 United Bank of Kuwait 17 Whiteaway Laidlaw ... 171% Williams & Glyn's ... 17 Duncan Lawrie 17

Members of the Accepting Houses Committee. First Nat. Fin. Corp.... 181% First Nat. Secs. Ltd. ... 18 % Robert Fraser 18 % t 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15%, and over £25,000 15%.

RECENT ISSUES **EQUITIES**

dlare R

Issuo	d Cp	nuno.	187	9/80	Stock	Bulg	+ or	ount	mes /ered	1810	0 to	ŀ
Price p‡	A.	720	High	Low		9°		O F	F8	ح رت	- 02	l
570 500		20/2	92 182	82 128	#810-kil Chem. 10p B.P. New	. 150	+6	\$4.6 \$15.76	1.2	8.4		
\$90 \$80 \$10	F.P.	25/1	111 104 142 £104	981 ₂	Conder intl Emess Lighting Haynes P'blieh's 20p Sel Mkt TstPrtRedPri	148	+5	65.0 66.0 bd6.0	8.0	8.3	4.8	
Tu nu		33/1	75	68	Spring Grave 10p Wereldhave NVDFL 20	78	+7	64.0 OF1.8	2.8 1.1		10.3 17.7	
		ł.		1 :					, ¦	•		ľ

FIXED INTEREST STOCKS 2 155 50 1070,00

	30	<u> 20</u>	돌글점		3,00	Stock	30	H- or	
١_	Pre	智	250	High	Low.	Stock	SE.] -	
	44 t-44	F.P.	8/2 25/1	95 1054 96 98 86p 911 ₂ 8834 p	101g 921g 90 85p 211g	Amber Day 104e% Cum. Red. Pref. '99-02 B' mem'th & District W'ter Red. Pref. 1885 Bristol Waterworks 8% Red. Pref. 1984 Ilundonian 114c Cum. Conv. Pref. Hewitt (J.) 10pe Cum Pref. Bild-Sussex Water 7% Red. Pref. 1885New Thorn Elec. 7%Con.Red.2ndComPri98-99	104 601 98 86p 214		
			•	. 61	RK	GHTS" OFFERS			
, -		-	7-4						

181₂ Nii 24/1 21/2 10pm 2pm Associated Sritish Engineering 000 F.P. 44 29 Dendonian. 40 Nii 22/1 29/2 48pm 29pm Elson & Robbins. 050 F.P. 5/1 24/1 790 350 Nammerson Prop. & Inv. Trust. 60 F.P. 0/1 24/1 780 060 Do. A. AS1 Nii - 45pm 20pm Hanimex Corp. 101₂ Nii 7/1 28/1 28 17×2 Lagenvals Estates. 60cts Nii - 405pm 90pm Pancontine ntai. 200 F.P. 0/12 1/2 217 200 Pilkington Bros. 34 F.P. 11/1 18/2 49 44 Wearwell. 24/1 21/2 10pm

Renunciation dets usuelly last day for doeling free of stamp duty. b Figures based on prospectus estimats. g Assumed dividend and yield. u Porsonat dividend: cover based on provides year's earnings. Fillwidend and yield based on prospectus or other official estimates for 1978. Q Gross. T Figures assumed. Cover allows for conversions of shares not now resking for dividend or ranking only for restricted dividends. S Piscing price to public. pt Pance unless otherwise is dicerted. I issued by tander. I Offered to holders of ordinary shares es "rights." * Issued by way of capitalisation. §§ Reintroduced. T Issued in connection with reorganisation, megar or rakeover. Fill introduced. T Issued in lormer prelizence holders. Æ Allotmest letters (or fully-paid). © Prov parily-paid allotment letters. ★ With warrants. †† Unitstad escurity. ‡‡ Issued as units comprising 2 iscome sheres and f0 Capital shares at 125p per unit.

The Mitsui Trust and Banking Co., Limited

Certificates of Deposit Series E Maturity date



In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 21 January 1980 to 21 July 1980 the Certificates will carry an Interest Rate of

> Agent Bank The Chase Manhattan Bank, N.A., London



• •

SOCIETE GENERALE

French "Société Anonyme" Capital: French Francs 1,007,769,600 Head office: 29, boulevard Haussmann -PARIS 9è-FRANCE

Commercial Register: PARIS B 552 120 222

SECOND NOTICE TO HOLDERS OF FLOATING RATE NOTES 1979-1991 OF U.S. \$1,000

The noteholders of the international floating rate been 1979-1991 issued by SOCIETE GENERALE who were called for January 14, 1980, being unable to meet validly for lack of quorum, the noteholders are again convened to an Ordinary General Meeting, at 50, boulevard Haussmann, Paris Same (France) on February 20, 1980, et 3.00 p.m. in order to consider the same against that for the first masters that the the same agenda as that for the first meeting, that is,

Appointment of the noteholders' permanent representatives, designation of the substitute representatives.

Determination of the noteholders' representatives, capa-

cities and of the remuneration given to the permanent To permit the notsholders to attend or to be represented at this meeting, the notes or their deposit receipts, must be deposited at least five days before the date fixed for the meeting at the offices of the bank, having participated in the placing of these notes and from whom proxies or admission code on he required.

cards can be requested. The Board of Directors:

INSURANCE BASE RATES

Property Growth 151% Vonbrugh Guaranteed 141%

† Address shown under lesurance and Property Tobia. 1. G. Index Limited 01:351 3466. Three month gold 361.0-877.
29 Lamont Road, London SW10 9HS.
1. Tax-free trading on commodity futures.
2. The commodity futures market for the small investor.

CORAL INDEX: Close 457/462 (+9)

LOCAL AUTHORITY BOND TABLE

Authority	gross	Interest pay- able	Minimu sum	Life n of bond
arnsley (0226 203232)	% 148 141	}-year	£ 1,000 1,000	



Offshore Mining Company Limited U.S. \$100,000,000

> **Guaranteed Floating Rate** Notes due 1986

For the six months 21st January, 1980 to 21st July, 1980

In accordance with the provisions of the Notes. notice is hereby given that the rare of Interest has been fixed at 14½ per cent, and that the interest payable on the relevant interest payment date, 21st. July, 1980 against Coupon Nn. 4 will be U.S. \$72.04. By: Morgan Guaranty Trust Company of New York, London Agent Bank

UNIT TRUST SERVICE

UFF5MUKE &

Sentry Assurance International Ltd.
P.O. Box 1776, Hamilton 5, Bernarda.
Managed Fond. (853,888 4,2001)

Detafonds | 01.248 964
Detafonds | 01.23 36 24 59 | 6.51
Tokyo Trust Dec. 28 | US\$220 | 2.58

Standard Chartered Intl. Bel. Fd. 37 ree Notre-Dame, Linguidours. NAV lin. 15 08810.07

TSB Unit Trust Managers (C.I.) Link 10, Wharf St., St. Hefier, Jersey (Cl.). 0534 7349 TSB Jersey Fund. 149 4 52 July 138 Guernsy Fund. 15. Next St. Ray Jan. 23. Prices on Jan. 15. Next St. Ray Jan. 23.

TSE Gilt Fund Managers (CL) Ltd.

10 What St., St. Heller, dersey (Cl.) 6534-734

TSE Gilt Fund 12.0 95.0ad 11

Prices on January 16, Next sale, day January 2

Tokyo Pacific Holdings N.V. Intimis Management Co. N.V., Geracio. NAV per share January 14 USS69.12

Tolkye Pacific Fildgs. (Snahmard) N.V. Inlinks Management Co. N.V.; Caracao. NAV per share January 14 USSSE36.

OVERSEAS—contd.

Samuel Montage Ldn. Agents 114, 0td Broad St., EC2. 01-598 6464 Asolio Fd. Jan. 15 574,657 5775,4070 334 Jaylest Lan. 15 574,657 5775,4070 345 117 Group Oct. 31 533220 1363 398 117 Jersey Ors. Jan. 2 5626 659,4018 3,72

117 Jersey 9 5 501. 2 10-20
Minray, Johnstone (luv. Adviser)
163, Hope St., Glasgow, C2. 061-221 5521
*Hope St. Fd. US\$35.40
*Minray Fund. US\$3.57 Surinvest Trust Managers Ltd.

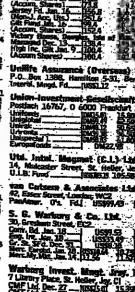
Surinvest Trust Managers Ltd.

48, Athol Street, Dopplas, Island Nas. 06247

Mgrs. Ltd. The Cola Trust 1996 1040

Royal Treat (C.I.) Fd. Mgt. Ltd. Fd. Bot 154, Royal Tst. Roy., Jersey. 0554; R.J. Int'l. Fd. 4550071 11,401 R.J. Int'l. Ltg., Fd. 300. B.G. Prices Jan. 15. West dealing Jan. 22







GOLD Jenuary 12

to the market.

The one major begrish factor

overhanging trading was removed to the market's satis-

faction by the words of Mr.

William Miller, the U.S. Treasury Secretary. He said that

the time was not appropriate for the U.S. to sell gold in such an "upsettled and uncharacteristic"

market, while Mr. Henry Wallich, a member of the Federal Reserve Board, added

that the present gold market is a "sidesbow" that does not

require immediate action by the

Gold Sullion (Tine ounce) (23624-3674) Gold Coin

THE DOLLAR SPOT AND FORWARD

p.e. months p.a. Jan. 18
3.52 1.78-1.66 pm 3.03
3.35 1.90-1.80 pm 3.44
0.46 9.14-0.11 pm 9.43
3.91 1.39-1.32 pm 2.84
0.75 1-72-, dis 9.21
-1.67 4.00-4.50dis -3.19
6.75 2.50-2.40 pm 5.69
-4.82 45-75 dis -4.82
-5.45 65-85 dis -4.45
-5.34 12-1312 dis -2.34
1.403 2.50-3.00 pm 2.65
2.98 1.20-1.05 pm 1.12
1.30 1.00-0.80 pm 0.87
8.14 3.70-3.55 pm 2.05
5.57 13.50-13.50pm 4.85
6.90 2.43-3.36 pm 6.53
d pramums and discounts 9.72-0.82c pm 0.65-0.55c pm 9.06-0.03c pm 0.63-0.58c pm 21-1c pm 0.50-1.00ora dia 1.02-0.92pf pm 16-25c dis 25-35c dis 25-35c dis 33-43-lips dia 48.75-49.85 66.06-66.11 49.75-49.85 66.07-66.10 3½-4½lim die 1.90-1.40ors pm 1.05-0.95c pm 0.55-0.35ore pm 804.60-805.30 4.1445-4.1480

EURO-CURRENCY INTEREST RATES

Ja s. 18	Sterling	U.2. Dollar	Canadian Collar	Dutch Guilder	Swiss Franc	West Germae Mark	French Franc	Italian Lira	Asian S	Japanese Yei
tShort term	19-164 18-184 174-174 19-2-17-5 184-164 15-104	135g-137g 135g-14 145g-15 141g-104g 141g-104g 141g-107g	1219-1319 1819-1319 1016-1011 1318-1378 1016-1319 1216-1319	107g-117g 107g-117g 117g-114g 117g-113g 117g-113g 103g-11	21 ₂ ·25 ₄ 25e·07a 01a·55a 51a·55a 56e·55 ₄ 56g-65 ₄	84-84 84-84 86-84 86-86 84-86 84-86	1154-12 1178-1618 1818-1848 1078-1818 1312-1354 1312-1054	80-22 20-29 i, 20is-22 i, 00is-81is 19is-20is 19is-80is	1534-1078 1434-1478 1445-1478 1445-1476 1445-1476	5-3-77g 05a-65g 53g-7-6 75a-81g 81g-85g 77g-85g

Long-term Eurodoller two years 12-124, par cent; thme years 114-124 per cent; tout years 114-12 per cent; trow years 114-114 per cent; nominal growing rates. Short-term mass are cell for starting, U.5. dollers and Canadian dollars; two-day call for guilders and Swise Imacs. Asiae rates am closing rates in Singapora.

LONDON MONEY RATES

Jan 16 1980	Sterling Certificate of deposit	Interbank		Local Auth- negotiable Donds		Company	Discount market deposits	Treasury	Eligible Bank Sills #	Fina Trade Bille 4
Overnight.,		17-88	·			175.18	164g-37			
2 days notice	_	- 1	1778-16	! - {	_	· -	I —	1 -	I — i	_
7 days or	_		_	i 1	_	l —	l —	. –	I I	_
7 days notice	_	18-1a4	1734-18	· - I	18	18	1634-1678	i —	! -	_
One month	173 ₄ 175 ₆	1712-1789	174-1769	1914-18	18	1719-174	1619-165	15.5-15.4	17A-17A	. 1712
Twomonthe	174:174	174-174		1734-1712	174	i ~ "	1519		1878-17	174
Three months.	174-184	174-174		1712-17		174-174	164-164		164-164	17
Six mosths		18 6 18 1	18-164	157 ₈ .183 ₈	1812	!	, –		101-1614	107g
Nine months	101-15	1849-1512		155g-15tg	154	_		' -	i — I	<u> </u>
Ong year	14-8-1434	14/3-15/5	104-164	1018-1454	1812	i –	: -	. —	1 – !	_
Two years	-	!	18¥	· <u>-</u>	_	1	: -	i 🕳	: - 1	

Local authorities and financial houses seves days' natice others seven days fixed. *Long-term local authority mortgage rates naminally three years 15½-15½ per cent; four years 15-15½ per cent; five years 14½-15½ per cent; five years 14½-15½ per cent; four-ment trade bills 15½ per cent.

month trade bills 16% per cent.

Approximate selling rates for one-month Treasury bills 15% per cent; two-months 15%-15% per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; three-months 16% per cent; two-months 16% per cent; two-months 16% per cent; three-months 16% per cent; two-months 16% per cent; two-months 16% per cent; two-months 16% per cent; three-mo

Stering 17 0,579091; 0,633243 102 57,01 to 11 7,11965 2,27789 912 2,51007 918 5,55412 25 1058,99 61 316,620 9 6,48626 8 67,2925 10 5,47461 2 2,10618 2,74636 5,83371 1163,71 346,197 7,09897 95,5250 5,99065 2,30466

CURRENCY RATES

Negotiable Floating Rate U.S. Dollar

19 January 1981



14% per annum.



ittary 21

ERALF

37me " 107.769.8% Hense

FT UNIT TRUST INFORMATION SERVICE

B 552 128 28		FI	UNIT T	RUST IN	FORMATION	SERVIC	E	
C S ELOST	AUTHORISED	F F Markette Find Mark 14d	6. George's Way, Stavenage. 0438 56101 4 rowth Units	Stewart Unit Tst. Managers Ltd.(a) 5. Charlotte Sq., Ethnburth. 031-226,3271 Stewart American Fuel Landsrd Units 52.6 17.8 17.8 17.8	· Riedslead House, b. Williamse Road. 20.	Clifton St., EC2A 4MX 03-247 7699	Schroder Life Group® Charpine House, Portsmouts. Grafty H13 — Freed Int.	Bridge Marragement Ltd. EPO 1:0x 590, Hoog Koos Nibshi Dec 31
The section of the se	TOUCTC	Lusses & Dudley Tst. Monthest Ltd. 252 Ensses & Dudley Tst. Monthest Dec 322 252 253 254 255	former 8 J. M	Nitromental Units 1985 4.77 - 4.77 - 5.60 Stewart Strikish Capital Fund 18.24 1.5.60 Scarre Units 1970 1970 1970 1970 1970 1970 1970 1970	Money Fund	y Gueth, Dec. 31 . 1.45610	Maney 100 134 40.1 — Maney 100 134 40.1 — Mary 100 134 40.1 — Mary 100 134 40.1 — Mary 100 134 40.1 — Mary 100 134 40.1 — Mary 100 134 40.1 — Mary 100 134 134 134 134 134 134 134 134 134 134	Britannia Tst. Mingrit. (C.I.) Ltd. 30 Bair St., St. Heller, Jersey. 0534 73114 U.S. Daira Denominated Feb. Unived. 5 Tst. Visit 100 100 100 100 100 100 100 100 100 10
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to track	Abber Jest. So. Ts	Fined Interest 25.0 26.4 12.7 Fined Interest 25.0 26.4 12.7 Fined Interest 26.5 30.0 +0.3 7.80 L Special Sits. 27.9 29.4 +0.5 3.00 C L Special Sit	Ediand Bank Group Init Trust Managers Ltd. (a) Outwood House, Silver Street, Hod. Specified, S1 380	inancia	Priors showe for policies assued from 11,1980. Pre 1980 unit priors available on request. Commercial Union Screen	edon A'deen & Ntim. Mtf. Assor. Ltd. Kingsway, Loadon, WCZB 6NF. 01-404 0393 et Bullder'	TOP. Pen. Cap	Capital Deposit Tst \$10.38 10.39 0.25 Est. Capital return on request. Next dealing Jan. 22. Brown Shipkey Tst. Co. (Jersey) Ltd. P.O. Box 583, St. Helier, Jersey. 0534 74777 Sdg. Bd. Fd. (n) 9.71 Sderling Cap. Fd (210.42 20.48) 14.00
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FINANCIALTIMES

Monday January 21 1980



Biffen hints at new NHS charges

Europe's widest range

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A POSSIBLE EXTENSION of charges for public services was Italian price-cutting. floated at the weekend by Mr. The decision by the John Biffen, Chief Secretary at Ministers prepared for a tough fight to get their policies accepted hoth by Cabinet colleagues in charge of spending departments, and the country at

Answering questions after a weekend speech, he said the week between representatives of Government was having to con-the fibre industry and the main sider making people pay for Italian producers. Montefibre free, such as doctors' visits and hospital heds, because of the difficult outlook for another £1bn of cuts in domestic spending next year, he implied, very few programmes were regarded as sacred.

The Prime Minister had hinted at another round of cuts in a speech to back-benchers hefore Christmas. These had been expected to include the de-indexing of certain short-term social security benefits, a big increase in council house rents and more cuts in education spending. But in his speech at the weekend, Mr. National Health Service could not automatically be exempted from the review

The tone of his speech may well worry some of his Cabinet colleagues, as well as Tory hackbenchers who are beginning to get uneasy about the increased prices the Government is itself

feeding into the system. Though many Conservatives believe that the Government should do more to cut out the 'fat" in public spending, some of the newer MPs may query the implications of cutting the real value of short term security benefits, given the likely rate of inflation. Introducing new charges on the NHS would provoke a savage attack from the ositino, rass some Ministers.

Ouestion

So far, negotiations over the next round of cuts have been conducted on a hilateral level. The Treasury has held a series of separate meetings with different Departments. Ministers expect to begin discussing the proposals in Cabinet shortly. There are signs that some Ministers will question the Treasury's reliance on cutting expenditure.

Mr. Biffen's speech seemed pessimistic about the future. Britain, he said, faced "three years of upparalled austerity."

Continued from Page 1

Steel

Government to be seen to back away from its cash limit policy, they believe there is more room for menoeuvre within BSC's limit on external financing than Sir Keith has said.

They claim to have Mrs Thatcher on their side. But Downing Street insisted that Mrs. Thatcher's position had not altered and that she fully supported Sir Keith's prescriptinn.

The Government faces another possible trade union crisis over the related issue of BSC's proposed cut of plant and of 50,000 more steel inbs.

The TUC General Council on Wednesday will decide whether tn issue an ultimatum for withdrawal of those plans. TUC leaders are taking very

seriously the passibility of a backlash from a wide range of trade unions that could develop into something approaching a

C.W. McMahon

A PRINTING error in the Man of the Week feature on Mr. Christopher "Kit" McMahon, the new Deputy Governor of the Bank of England, on the hack page of Saturday's paper totally distorted the meaning of part of the final paragraph. This should have read: "Mr. McMahon's role as policy co-ordinator provides him with the opportunity to make his mark." The Financial Times apologises for the error.

Petrol cheaper

MOTORISTS IN five urban areas who buy their petrol by the litre are finding it cheaper than by the gallon.

The Carrefnur hypermarket chain is charging 24 p a litre, which works out at about £1.11 a gallon, against £1.20-plus at 3,000 sold in UK and export

the average service station. At Carrefour, Birmingham, sales bave recently soured well over the normal rate of 3m now achieved

EEC fibre producers abandon prices cartel

their controversial market-sharahandoned. Instead they will "gentlemen'a agree- petitors. launch ments" intended to discourage

The decision by the synthetic fibre producers to scrap the the expiry of the January deadline that the Commission's competition authorities had set for legal proceedings to he opened against the companies.

Negotiations in Italy last and Snla Viscosa, have yielded the accept.

In place of the market-sharing agreement concluded in mid- who has objected that it is a market-sharing deal.

EUROPE'S 11 leading man- 1977, which guaranteed in-made fibre producers will tell creased sales to the Italian the EEC Commission today that manufacturers, the main their controversial market-shar-"northern" EEC producers are ing prices cartel has been to contract bilateral arrangements with their Italian com-

> Under these " gentlemen'a agreements." Italian synthetic losses. But at the end of last fibre will be voluntarily pur- year Vouel made it plain be chased by other European producers. The purpose of the before the European Court of original prices cartel was to Justice unless the marketavert a European prices war sharing pact was dropped. being started by the Italian industry, which has over- in future exist between the EEC invested in new capacities, only man-made fibre industry major to find demand slackening.

The cartel that ceded Italy a greater share of northern EEC markets for man-made fibres, was backed by Viscount Etienne Davignon, the EEC capacities. a compromise formula that the Industry Commissioner. But it has faced persistent opposition from M. Raymond Vouel, the EEC Competition Commissioner,

guaranteed in- flagrant breach of the Treaty of

Successive attempts by the competition authorities to force the abandonment of the cartel had been blocked inside the Brussels Commission because of the industry's serious financial intended to take the producers before the European Court of

The only agreement that will groups in the Paris-based Comité International de la Rayonne et des Fibres Synthetiques is the agreement governing cutbacks in production

When the prices cartel was formed, these scheduled cuthacks were agreed as a complementary element to

Eastern may double European Airbus fleet

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

U.S., which is already huying a Including Lockheed TriStars feet of 25 European A300 Airand Boeing 727s. As fucl prices huses worth about \$900m, is considering a further deal which through the 1980s could double further demands for the Airbus. the size of its airbus fleet.

Although no decisions have et been taken, top officials of the airline make no secret of the to have more of the aircraft. bigest airline. It carried over 42m passengers fast year.

cent less than the average con-verting part of the option of the in the next few weeks.

The airline has already taken delivery of 14 of the 25 A300 Airhuses it has on order. It the airline make no secret of the fact that they would have liked also bas an option on another nine and a "conditional option" Eastern is America's second on 25 of the smaller 200-seat

EASTERN AIRLINES of the sumption of all its other aircraft, A310s into a firm order for some of the bigger A300s.

Eastern makes it clear that it does not really need an aircraft of the smaller A310 size now that it also has on order 24 of the new 170-200 seater Boeing 757 jet liners. The latter, it believes, can do the same kind

of job as the A310.
At about \$35m for each A300, Eastern's plans could cost it at least another \$900m which is a very severe financing 2m passengers last year. Eastern is expected to obtain operation to undertake. How-The Airbus is proving popular its additional Airbuses by con- ever, top officials of both the with Eastern's passengers. It is verting the existing options for airline and Airbus Industrie also the most fuel-efficient air nine A300s into a firm order met in New York recently and craft in its 245-strong fleet. Fuel later this year. It may then it is possible that some kind of consumption is about 34 per acquire further aircraft by con- a deal may be announced with-

British Airways may separate business and holiday traffic

BY JOHN LLOYD

BRITISH Airways may operate Director magazine Mr. Roy separate aircraft for businessmen and holidaymakers, as one

the hurgeoning holiday way they can get round Europe is on a charter flight." traffic.

It is also considering dropping the first-class cabin on European flights, and replacing it with a Although they agree that it would he disastrous for the Government to be seen to the seen to be seen to the seen to be seen to the seen to be seen to the seen to

Watts, the airline's chief execu-tive, said: "We must be careful of a number of measures soon to we do not head off in the direcintroduced on its European tion where the only aircraft ervices. available has 400 seats with The airline is understood to he booking three weeks ahead. worried that its business Businessmen will not thank us travellers may feel squeezed out in five years' time if the only

> Confirming that a number of proposals were being studied, the company said yesterday that it already had a separate business flight, in Concorde.

Lynton McLain writes: Con-British Airways estimates that corde, which celebrates four hy 1986 husiness travellers will years of service with British

the early 1960s to the end of

last year. Mr. Michael Marshall, Under-Secretary for Industry, said in the Commons on Friday that development of the aircraft bad cost £583m and production £449m up to the end of December.

Against the total the govern-ments had received £211m from the sale of the aircraft. In the 12 months to December 31, development cost £22m and production work £27m.

Receipts of £20m for aircraft sales gave a net cost last year alone of £29m.
. Mr. Marshall said the net

annual cost was expected to account for 6m—or 20 per cent Airways and Air France today, reduce progressively this year, —of their 30m passengers a cost the British and French as in-service expenses declined year.

year governments a total of £821m and as costs were increasingly 1n an interview with the from the start of the project in offset by the sale of spare parts. as in-service expenses declined

ITT to sell Ashe Chemicals

subsidiary, as part of a con-tinuing programme of shedding, European subsidiaries outside lts main electronics husiness. ITT said ysterday that Ashe was likely to be sold to a single purchaser. The price is expected to be well over £10m. Ashe no longer publishes its accounts, but its pre-tax profits are

thought to be over £1.5m.
Ashe, which makes Simbex slimming aids and Amplex breath capsules, among other producta, was acquired by ITT in 1972 for £8.9m on an agreed

Earlier this month ITT sold off its UK cosmetic subsidiary. Rimmel International to the U.S. company Schering Plough for an undisclosed sum. Rimmel was yalued at about flom. 1960s it lit has sold off most of its Geneen. European fond interests, such as The c

cals, its UK pharmaceuticals pany: French La Croix soup; German Baustert snacks and UK Northray Foods.

The company has undergone a series of divestments since Mr. Lyman Hamilton succeeded Mr. Harold Geneen, the long-time chairman, over three years ago. Though Mr. Hamllton was

these will continue
The overriding policy in the company now appears to be to bring it down to what are seen as its main strengths, telecommunications, electronics and that some light engineering products, with which is in sharp distinction to cosmo

company underwent in the 1960s and 70s under Mr.

ITT is likely to sell Ashe Chemi- the Dutch Noho biscuits com- services group is clearly the prime target. It shows the lowest profits \$45m on group turnover of \$3.6bn in 1978and its large European consumer appliances division lost \$11m in that year.

That division saw substantial cuts in 1979 as the company shut down a number of television plants, reportedly the himself replaced suddenly by most unprofitable activity in the Mr. Rand Araskog last August, it bas been made clear that assembly manufacture in three main centres in France, West Germany and the UK.

Though ITT food products worldwide made a profit of \$29m in 1978, it seems likely that its European activities, with the chemicals and cosmetics companies, will be the massive diversification the entirely sold off.

The company does not yet appear to have divested itself Geneen. of the Payot cosmetics sub-The consumer products and sidiary in France.

Record exports Continued from Page 1

MASSEY-FERGUSON'S exports of industrial machinery reached a record £33m last year and represented nearly 60 per cent of its total UK production of this type of equipment.

This production, which includes tractor loaders and digger loaders, also reached a

The company said that its sales of this equipment have for improved productivity and now achieved "top three" profitability. gallons (13.638m litres) a year. status in 12 European countries.

'Annual time budget'

the CBI's director of social unity Campaign last night affairs, said there was broad attacked the CBI for ignoring agreement with the TUC on the the threat to women's joba in rofitability. Publications, 21 Tothill Street,
The Equal Pay and Opport London SW1, Price £3,

issues of employment and techrecord level, with more than nology but that there were also the report. Most jobs threat-3,000 sold in UK and export some "sharp differences" ened by new technology were hecause the unions did not pay beld by women, claimed the sufficient attention to the need campaign. Jobs-facing the future. CBI

held in Japanese spy_scare

ground self defence volving the Soviet Union in

Tapan'a post-war history. The officers may bave sold the military equipment and strategic policies, as well as intelligence relating to China (which may have been passed on through U.S. sources), according to Japanese Press reports.

Lieutenant Eüchi First Warrant · · · Yukihisa Miyanaga, were the

officers arrested. There are already suggestions

worried about how the disclosure will infinnece its closest. The City's inability to react ally, the U.S., on which it in the face of Decca's remorse-depends heavily for security less decline has been pathetic. information.

consideration for Japanese diplomats is that the affair will aggravate relations with the Soviet Union at a time when Japan is already committed to condeming it for military intervention in Afghanistan. According to allegations by

bave been paying suspected informers within the Defence Agency millions of yen over the past few years. Japanese offi-cials are worried that some of the information leaked may have been related to the development of a bighly sophisticated Japanese tank and to troop and weapons deployments in the strategic northern island of

past year strengthened their hold on four islands north of Hokkaldo, occupied since the end of the Second World War. has already been shown, after which Japan still claims as its all. that it is possible to

Claimlng diplomatic

and Eastern Scotland; dry.

E. Midlands, Cent. and N.W. England, N. Ireland Sleet and snow. Max. 30

Cent. S. England, W. Midlands. Wales Cloudy. Rain, alect then

Dry at first then snow. Max.

Aberdeen, Dundee, Edinhargh,

Glasgow. Cent. Highlands, N.E. Scotland, Orkney, Shetland Prolonged wintry showers. Max. 3C (37F). N.W. and S.W. Scotland

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Three

JAPANESE POLICE bave arrested a former major general and two active junior officers force in what may be the most controversial espionage case in-

Soviets information on Japan's Lonrho's

Kasbi. Tsunetoshi Oshima and a former superior retired major general,

The more important immedate

Japanese police, the Soviets

Hokkaido. The Soviets have over the

munity, the military attache at the Tokyo Soviet embassy. Col. Yuril N. Kozlov refused to meet Japanese antborities on Saturday and returned to Moscow. Kożlov is alleged to he one of the conduits for the information since the early 1970s.

Weather

UK TODAY

sleet and snow will northeastward; over England, Wales and N. Ireland. Prolonged showers in Central sunny periods in West. S.E. England, E. Anglia.

E. and N.E. England, Lake District

S.W. England, Channel Isles Cloudy. Rain, sleet, snow. Max. 8C (46F).

Dry. Bright periods. Max.

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THE LEX COLUMN

Takeovers are not the only way

Two of the stock market's longest running takeover rumonrs appear to be coming closer to being converted into fact. Official terms for Racal'a acquisition of Decca could well he announced this week. As for Lonrho's takeover of House of Fraser, leaks and gossip are now reaching something of a cres-cendo, although the truth about intentions .

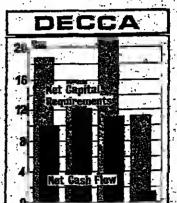
Racal pounces and ...

For a number of years now it has been clear that Decca has been steadily digging itself deeper and deeper into a hole largely of its own making. As with Spillers and EMI within the past few months, a takeover bid appears to be the only convenient way out of the problem. that Mr. Enji Kubota, the chief But for the Board's voting of the defence agency, may power, due to the fact that over submit bis resignation to take 60 per cent of the issued shares responsibility for the affair. are voteless Deeca would no In any case, Japan appears; donbt have been taken over much sooner.

The City's inability to react Private meetings have from time to time taken place between Sir Edward Lewis and the investment institutions—the leader in this case being the Prudential. But the City has relied on the pious bope that a "natural" moment would arise at which Sir Edward could step down and the "A" shares be enfranchised -as has happened, for instance, at Thorn and Sears Holdings. Faced with the realisation that no "natural" moment would arise this side of a financial crisis, the big sharebolders have stood by mute and belpless.

Given Decca's capital structure, of course, there is little that the institutions could do directly. Yet they could bave brought much more public pressure on the group, and they could have come up with some constructive management alternatives. In the electronics sector it

im- with injections of new manage- some £63m. meot as well as capital. Ferranti and ICL are cases in



of the acquiring groups Allied Breweries, Dalgety and Thorn.
As Racal prepares to offer the
City's fund managers an easy way out, they should ponder on two questions. One is wbether, even at this late stage, an alternative solution could still be found for Decca's problems. The other is whether there are other companies where they ought to be taking a closer interest, without waiting first for the dividend to be cut.

Lonrho flounces

. It does genuinely matter who runs Decca: it will affect real wealth and employment. Who owns House of Fraser is, however, of rather less importance to the nation at large. There is no suggestion that Lourho could run the atores any better than the existing management. Any takeover would be almost purely about financial manoeuvring.

Shares in both Lonrbo and House of Fraser have shot up in the past week. Based largely on .. speculation about what the soarin gold price could mean for its. mining income, Lonrho's share price bas climbed from 86p to 109p, where its market capitali-sation is £236m. With bid rumours circulating freely, House of Fraser rose even more.

Through subsidiaries and associates Lonrho produced some 12,000 kg of gold in 1977change of ownership. So Lyons, so the continuous must have been swallowed up, leading to some quick speculative gains and snme juicy fees for merchant hanks, but with no very obvious has continued to consolidate but also along the Brompton beautiful to the property and the prop

and Newall-type benus, although the quality of Rhodesian assets has presumably been slightly upgraded.
The overall picture is that

Lonrho has been presented with a sudden windfall of extremely low quality earnings. On pre-cedent, it will attempt to build on those earnings in order to reverse into higher quality earnings in the UK, and will be prepared to accept heavy notional dilution in order to

The sequence of UK takenvers in 1975 to 1977 led to two rights sues in quick succession, while last year Lonrho issued 22m shares, as well as paying £25m House of Fraser would be a very big mouthful. Even if Lonrho could win control at the current price (it would probably have to pay quite a bit more) there would need to be an issue of nearly 140m shares; compared with the currently issued 216m. Lonrho's golden windfall, however, is coming at a time which House of Fraser could find

inconvenient. For the financial

year ending this month, analysts are expecting a modest fall in

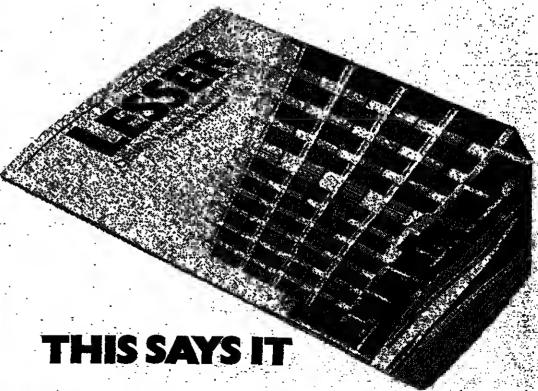
the earnings of House of Freer

-to perbaps 11.2p a share fully taxed-and there could well be a further decline during 1980-81.
The impact on Lonrho's asset value of a takeover might not on the face of it appear to be beneficial. Loncho is standing further below its book asset value of 1731p a share than Fraser is below its own 185p. Still House of Fraser has indicated that its freebold and long leasehold properties could be worth as much as 75 per cent ove book value, in which case its net asset value could be nearer 230p a share. And Lonrho African for UK assets on much

more than a nominal one-for-one Even so, the sheer size of the House of Fraser deal must make sharply from 108p to 141p, investment institutions are increasing its eaplialisation to notoriously reluctant to invest £212m. At this level, Lonrbo's on any large scale in such an 29.9 per cent stake is worth individualistic and impulsively run group as Lonrbo; but only they could absorb new shares

to the tune of 100m or more. point. The City, bowever, still some 12,000 kg of gold in 1977. The other possibility is simply clings to the takeover bid as 1978, and though mining that Lonrho will dispose of its the cure-all, even where it is generated no more than about House of Fraser stake; the clear that changes on the board a tenth of overall profits that present climate of takeover are much more important than year, a very substantial rise in speculation might allow it to get change of ownership. So Lyons, the contribution must now be a comparatively high price. But

henefits yet for shareholders Rhodesia. There is no Turner Road. THERE'S A LOT TO BE SAID FOR AN ARCHITECT **WHO CAN BUILD**



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Registered at the Post Office. Printed by St. Clement's Press for and published by the Funancial Times Ltd., Bracken House, Cannon Street, London, ECAP (BY. V)